

Building Communities Together



HFA

An Ghníomhaireacht
Airgeadais Tithíochta
Housing Finance Agency

Annual Report
2024

Our Mission

The Housing Finance Agency (HFA) is a semi-State company whose mission is to facilitate the delivery of social and affordable housing in Ireland.

We do this by providing long-term competitive finance to Approved Housing Bodies (AHBs), Local Authorities (LAs) and Higher Education Institutions (HEIs) and by using our financial expertise to support customers in the development and implementation of effective housing programmes.

Goals



1.

**Grow our loan book to
€11.8bn**



2.

**Reputation
for excellence**



3.

**Exceptional
customer service**

Building Communities Together

The Housing Finance Agency is committed to promoting the creation and development of vibrant, inclusive communities where individuals and families can thrive.

Through our strong partnerships with AHBs, HEIs, LAs and other stakeholders, HFA financing contributed to the delivery of thousands of new high-quality homes in 2024. Our collaborative approach ensures that together we can address the diverse housing needs of communities across Ireland.

In 2024, the HFA supported the delivery of a record number of new homes. This continued growth underscores our commitment to the shared goal of ensuring that everyone has access to secure, quality, affordable homes in strong, supportive communities.

Front cover image: *Shauna, with her children Sophia and Harry, with Ciara Byrne, Housing Services Coordinator with Tuath Housing, at their home in Kilmartin Grove, Hollystown, Dublin.*

Contents

A Year in Review

2024 At A Glance	4
AHB Delivery	6
Chairperson's Statement	8
CEO's Review	10
Supporting and Celebrating our Customers	14
Co-operative Housing Ireland	16
HAIL	18
Fold Housing	20
Environmental, Social & Governance	22
Our Board	28
Our Management Team	34
Governance	
Directors' Report	36
Statement of Directors' Responsibilities	42
Corporate Governance	44
Audit and Risk Committee Report	50
Financial Statements	
Report of the Independent Auditor to the Members of Housing Finance Agency Plc	58
Income Statement	62
Statement of Comprehensive Income	63
Statement of Financial Position	64
Statement of Changes in Equity	65
Statement of Cash Flows	66
Notes to the Financial Statements	67
Corporate Information	105

Explore online
 Visit our website to find out more: www.hfa.ie
 Follow us and join the conversation

2024 at a Glance



Loan Book:

€8.6bn



Total Advances:

€1.46bn

up 22% on 2023 (€1.2bn)



Total AHB Advances:

€1.3bn

up 32% on 2023 (€987m)



Total Homes Delivered:

4,525

up 17% on 2023 (3,853)



Total Approvals:

€2.1bn

up 27% on 2023 (€1.6bn)

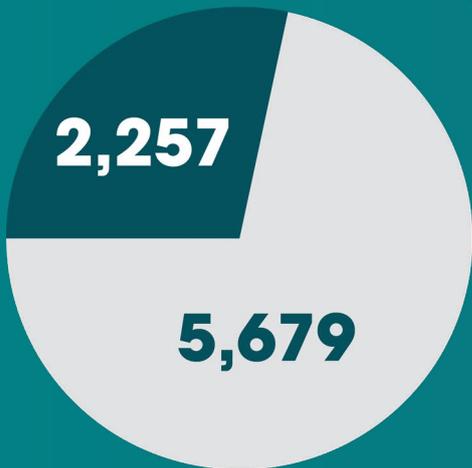


Total Homes Approved:

7,936

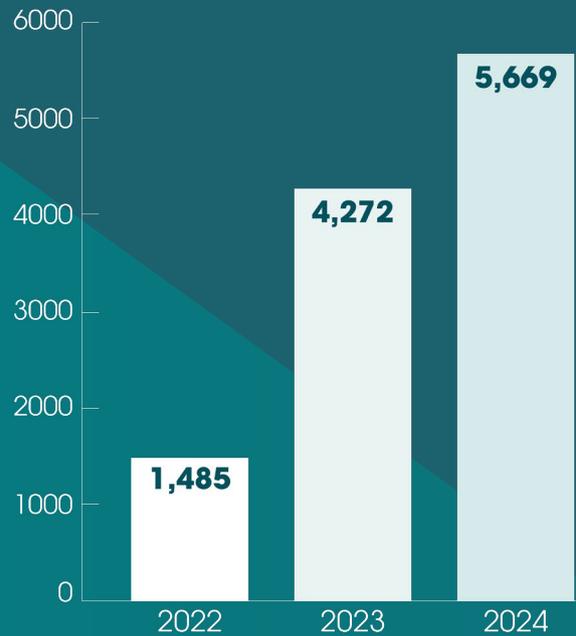
up 30% on 2023 (6,101)

Cost Rental
Homes Approved



Social Homes
Approved

Apartments Approved:



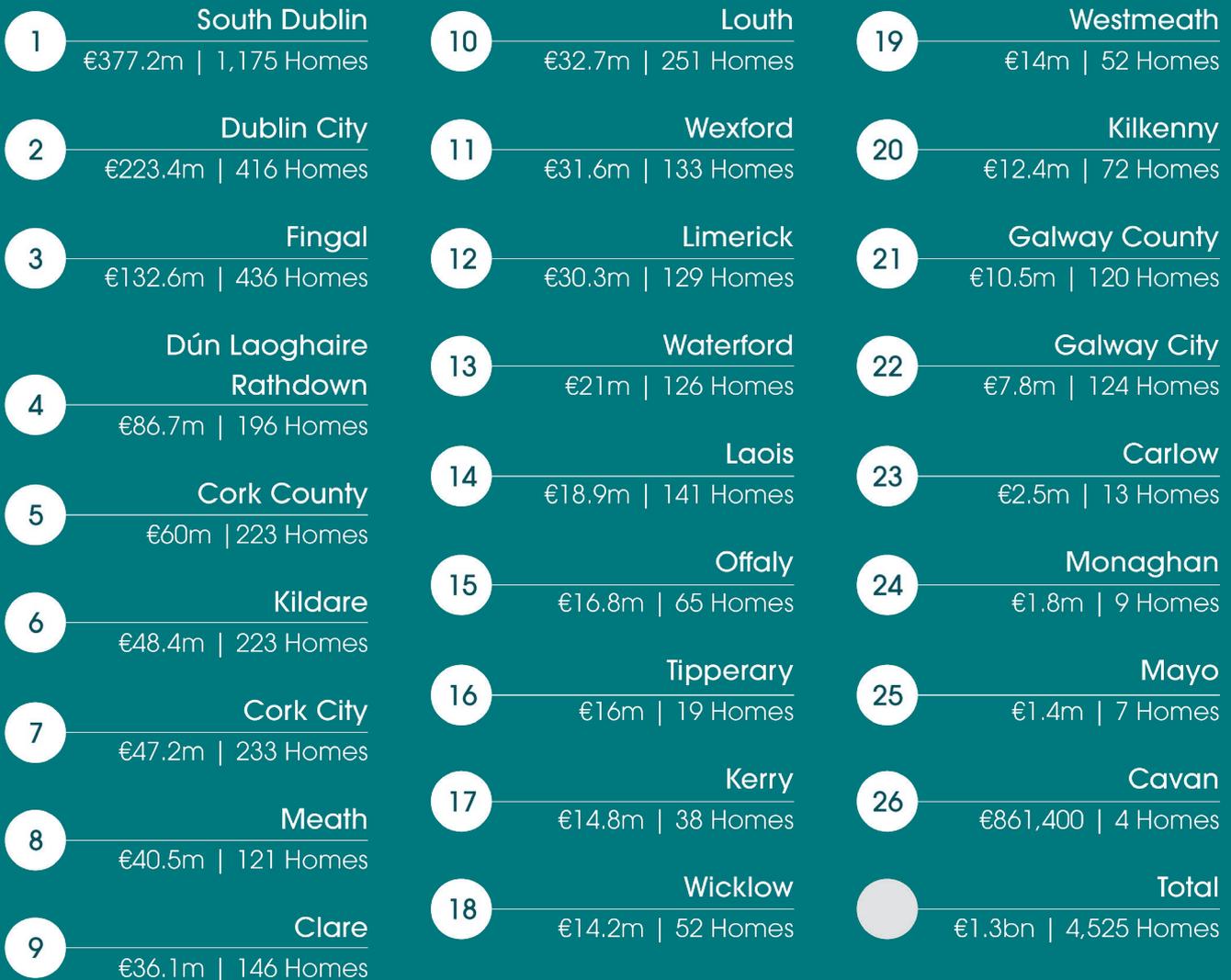
€18m

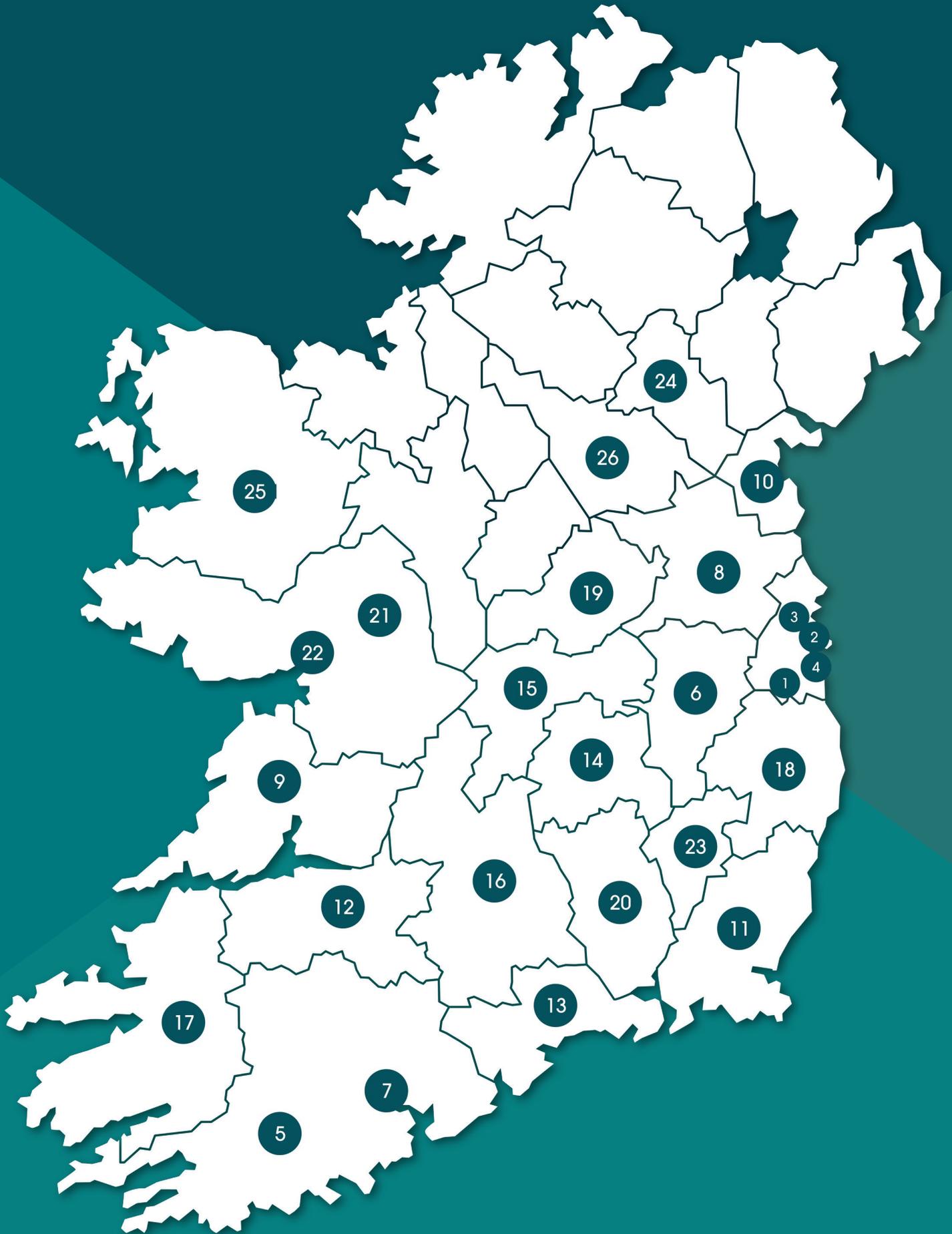
Approved for
116 University
Bed Spaces

Approved Housing Body Delivery

In 2024 our Approved Housing Body customers continued to deliver thousands of high-quality homes across Ireland, with the support of financing provided by the HFA.

Homes Delivered by County





Chairperson's Statement



Frank Allen **Chairperson**

I am pleased to present the Housing Finance Agency's Annual Report for 2024, a year marked by achievements in supporting social and affordable housing and by significant organisational transitions. During 2024 the HFA reached its highest level of loan approvals, thanks to the collective efforts of our dedicated team and all our stakeholders and customers.

In 2024 we provided finance for the delivery of 4,525 new homes, resulting in an increase in our loan book from €7.4 billion to €8.6 billion.

While reporting on these achievements we also recognise that significant challenges remain in the provision of social and affordable housing and within housing more generally. Demand for housing has continued to outpace supply and many families and individuals still struggle to find appropriate accommodation. The HFA is committed to working with our partners to find solutions that will address this imbalance.

The HFA is in the final year of its five-year strategy so we are reviewing our performance against the targets that we had set for ourselves and considering how we can continue to contribute to Government housing policy over the next five years. Our Approved Housing Body (AHB) borrowers have made tremendous progress in scaling up their delivery of new, high-quality social housing. Some large AHBs have added Cost Rental schemes to their housing supply, which further widens the availability of affordable housing with strong government support. The HFA envisages these programmes continuing to expand, requiring additional HFA loans. We also want to ensure that HFA funding is available to AHBs and to Local Authorities for specialist housing such as for tenants with complex needs and for small scale developments outside the main urban areas. Over the next few years, we also hope to extend our financing of student accommodation, associated with institutes of higher education.

In planning our next strategy, HFA management has begun consulting with housing partners on how we can meet our shared goal of providing

exceptional service to customers and respond to Government housing policy. We recognise that the scale of housing need will require a significant amount of financing across the various housing tenures, so we are also engaging with other sources to encourage more private finance for the sector.

Each year the Board visits new housing developments to see how the vital work our customers carry out translates into new homes for families and individuals. In 2024 we visited two developments in County Carlow - Tinteán's Presentation Place Development and Co-operative Housing Ireland's Graigue na hAbhainn scheme. We also saw two in County Dublin, namely Fingal County Council's Churchfields development in Tyrellstown and Ladyswell Square in Mulhuddart, which was delivered by Clúid in partnership with the Council.

During 2024, we said farewell to Barry O'Leary and to Seán Cremin, who led the HFA through a significant period of growth. Barry as Chief Executive and Seán as Head of Treasury were the public face of social housing finance over many years and we wish them very well in their retirement. I also want to express my sincere thanks to Fergal Ó Riagáin, who stepped in as interim CEO, ensuring a seamless transition during a critical period.

The Board was delighted to welcome Deirdre Collier as our new Chief Executive, bringing a wealth of experience in lending and banking, as well as more recent sectoral experience as CFO of an Approved Housing Body. Her extensive background in these areas will be invaluable as we navigate the challenges ahead.

Our achievements this year would not have been possible without the support of our partners in the housing sector. I would like to convey our deepest appreciation to the Department of Housing, Local Government and Heritage and to the Departments of Finance and of Public Expenditure, NDP Delivery and Reform. Your collaboration and support have been crucial in enabling us to achieve our goals and deliver on our commitments.

I would like to extend a warm welcome to three new Board members, who joined us in February 2025. Aidan Devlin brings over 40 years of expertise in financial services, project finance and asset management, while Aleksandra Szczecinska brings two decades of experience in private equity. As Chief Executive of Tipperary County Council, Sinéad Carr offers extensive knowledge in areas ranging from local government to planning. I have no doubt that each of our new directors will make a significant contribution to the HFA Board.

Finally, I would like to acknowledge the exceptional work and dedication of our staff. This year the HFA team has delivered strong results during a period of significant change and our staff has risen to the occasion with resilience and determination. Their hard work and commitment have been the driving force behind our success.

Sincerely,



Frank Allen
Housing Finance Agency

CEO'S REVIEW



Deirdre Collier **CEO**

As the recently appointed Chief Executive Officer of the Housing Finance Agency (HFA) it is with great pride and a deep sense of responsibility that I present to you the Annual Report for 2024. Having joined in October, I have quickly come to understand and appreciate the invaluable role that the HFA plays in Ireland's housing sector. As we reflect on the achievements and challenges of the past year, I am proud to share the significant progress made by the HFA in fulfilling its mission to facilitate the successful delivery of social and affordable housing across Ireland.

In a year marked by economic challenges and an increasing demand for housing, we have remained steadfast in our goal to support the delivery of secure, affordable homes for individuals and families in need. Our work continues to be guided by the core belief that access to quality, affordable housing is fundamental to the well-being of communities and our society as a whole.

A Year of Transition and Continuity

While 2024 brought a number of changes at senior management level, the HFA's long-standing history of supporting the delivery of affordable and sustainable housing continued to shine through in its work, with thousands of homes financed across Ireland. Despite the complexities and challenges in the broader economic landscape, the HFA remained a reliable partner to Local Authorities, Approved Housing Bodies and other key stakeholders.

I would like to thank my predecessor, Barry O'Leary, for his leadership and dedication and wish him all the very best for the future. His contributions have laid a strong foundation for our continued growth and success. I also wish to thank Interim CEO Fergal Ó Riagáin who did an excellent job in steering the HFA through much of an exceptionally busy 2024. Most of all, I want to thank and congratulate the wonderful team here at the HFA for their dedication and commitment to achieving the best possible outcomes for our customers.

Lending Activity

Our lending portfolio grew by €1.3 billion, equating to 17% growth over the course of the year, reaching a new record of €8.6 billion. With loan approvals in 2024 totalling €2.1 billion (an increase of 27% on 2023), to support the delivery of almost 8,000 new homes, there is clearly a strong pipeline of new housing and I want to congratulate our customers on their progress over the past year, a testament to their sense of urgency and commitment to alleviating the shortage of housing throughout our country.

In 2024, our lending efforts enabled the completion of 4,525 new homes, providing much-needed housing to more than 10,000 people across the country, a strong contribution to the Government's Housing for All plans, which remains central to our mission.

With an increasing focus on affordability in a rapidly changing housing market, we are pleased to have approved finance for the delivery of 2,257 Cost Rental homes, an increase of 23% on 2023. Cost Rental housing is a relatively new tenure of housing in Ireland, offering numerous benefits including long-term affordability, security of tenure and high-quality living standards. Our support of Cost Rental in 2024 underscores our commitment to facilitating delivery of affordable and sustainable housing solutions across all tenures.

Behind those numbers are thousands of people across Ireland who received keys to a secure and comfortable home in 2024, including people who have experienced homelessness, older people who require additional supports and people living with disabilities. They are at the forefront of our minds as we approach our work here each day. At the HFA we are eager to increase our social impact, by exploring ways to enable providers of homes for people with more complex needs.

Financial Performance

The Agency's strong financial performance in 2024 highlights our ability to respond effectively to the needs of the sector. Through prudent financial management and our longstanding commitment to maintaining a robust balance sheet, we were able to offer competitively priced financing to our partners. These efforts have not only benefited our partners but have also contributed to improving the affordability of housing across Ireland.

Despite the challenges posed by global economic factors, including inflationary pressures and interest rate fluctuations, the HFA's financial position remains strong. We continue to maintain a healthy capital base, enabling us to weather economic volatility and remain a stable and reliable source of financing for Ireland's housing sector.

I would like to thank our own funders, the National Treasury Management Agency (NTMA), the European Investment Bank (EIB), and the Council of Europe Development Bank (CEB). Our collaboration with these institutions has been vital to our success.

In December, we put in place a new long-term loan facility with the EIB, which will allow some of our customers the option to avail of competitive financing for tenors of up to 40 years. This option will be attractive to some of our customers in allowing them to manage their interest rate risk connected with Cost Rental schemes.

Looking Ahead: A Renewed Focus on Innovation and Collaboration

Having taken on the role of CEO at a crucial time for housing delivery in Ireland, I am keenly aware of the urgent need for continued innovation and collaboration within the housing sector. The demand for affordable, sustainable housing in Ireland has never been greater and as we move into 2025, the HFA is committed to playing an even more proactive role in delivering solutions to these challenges.

Our focus will be on exploring creative approaches and developing new financing products that meet the diverse needs of our stakeholders, from Local Authorities to Approved Housing Bodies and Higher Education Institutes. We are committed to working closely with all of our stakeholders, to ensure that we remain a trusted partner in delivering solutions to the housing crisis and that we continue to build communities together.

A Commitment to Sustainability

As we continue to provide vital financing for housing across Ireland, we remain committed to sustainability, both in terms of the environmental impact of the housing we help to fund and the broader impact on Irish society. The HFA will focus on supporting projects that prioritise energy-efficient building practices and we will ensure that our activities align with the Government's climate ambitions.

Conclusion

In closing, while much has been achieved, there is still much to be done. The housing needs in Ireland continue to grow and the HFA remains committed to leveraging its expertise, resources and partnerships to support the Government's vision for more equitable and sustainable communities.

I would like to take this opportunity to thank the HFA Board, our dedicated staff and all our partners for their ongoing commitment and collaboration. As we continue on this important journey, I am excited by the opportunities that lie ahead and I look forward to building on the strong foundations laid by my predecessors.

Working together, I am confident we can make significant strides towards addressing Ireland's housing needs, ensuring that every person has access to a safe, secure and affordable home.

Thank you for your continued support.

Deirdre Collier

Deirdre Collier,
Housing Finance Agency



Supporting and Celebrating our Customers

At the Housing Finance Agency, supporting our customers and their work is at the heart of everything we do. With over forty years of experience providing long-term competitive rate financing to the sector, we have built a strong reputation for our collaborative and supportive customer engagement. We are always striving to enhance this reputation.

We are dedicated to developing and maintaining strong relationships with our customers through a focus on the six core values outlined in our Strategy 2026 – adaptability, respect, affordability, effectiveness, sustainability and integrity. In keeping with the strategy, we have worked to ensure our Board and staff are well-trained, competent and capable of meeting organisational needs. Our staff complement grew by over 30% in 2024, due to the increase in lending activity and the evolving complexity of the Agency’s work, as well as the creation of new specialist departments.

This expansion of business-critical teams and the creation of new departments in 2024, as well as recruitment to fill key positions in the HFA, will further enhance our customers’ experience. These include:

- Recruitment of Deirdre Collier as CEO and Andrew Keaveney as Head of Lending.
- The creation of a standalone Risk & Compliance department in March led by Heiko Krakowitzer.
- The creation of a standalone ICT department in December, headed up by John Corbett, which completes our Senior Management Team.

We are committed to delivering the best possible service to customers in our processes, which encompass appraising loan applications, reviewing customers’ financial details, managing loan drawdowns, and establishing new loan facilities in accordance with Government housing policies. Providing comprehensive support at every stage of the process is crucial to us, through both online or in-person meetings.

We are working to make the process of applying for and managing loans more streamlined and user-friendly with a new Customer Relationship Management system and an upgrade to our Loan Treasury Management System, both of which launch in 2025.

An updated HFA website is also in development, with a focus on providing clear and accessible information to customers and stakeholders about our products and processes, while our IT systems have been integrated and future-proofed for security and performance.

Increased engagement with smaller, more specialist Approved Housing Bodies in 2024 brought two new customers to the HFA, bringing our total to 30. With the approval of one additional customer for Certified Body Status, there are now 21 HFA customers who can apply for loans exceeding €5 million. We are committed to further expansion of our customer base as we continue to strengthen existing partnerships.

Accessing Your Information

The HFA undertakes to respond to queries from customers in an open and timely manner and to provide clear and useful information about ourselves and our services to customers. To facilitate the increasingly widespread digitalisation of work across the sector the HFA strives to ensure easy online access to information about products and services.

The HFA aims to maximise the number of online services it provides, ensuring better customer service and improving data accessibility.

We have put in place a robust complaints procedure for customers and are committed to monitoring, evaluating, and improving our performance where required. We aim to deal with all complaints within 10 working days. We also aim to streamline and ensure clarity around rules, regulations, documentation and procedures.



Co-operative Housing Ireland -
"A Place to Rest and Recharge"



HAIL - "A Person-Centred
Approach"



Fold Housing - A Flourishing
Community



Environmental, Social and
Governance

Co-operative Housing Ireland **Aoife's Story**



*A place to rest
and recharge* [™]

Aoife Ó Ceallacháin moved into her apartment in Crofters Quarter, Deansgrange, Dublin, in April 2024. Crofters Quarter was delivered by Co-operative Housing Ireland with the support of HFA financing.

“All I ever wanted was a place for my own. Having autism and chronic pain, I’ve learned I need time alone to rest and recharge. I need somewhere to shut down so I can reset and be a good friend, a good daughter and a good aunty. Without that space, my disabilities are amplified. Co-operative Housing Ireland has given me that space and I’ll be forever grateful. This space allows me to meet my access needs and grow into the person I’ve always wanted to be.”

“Since moving into Crofters Quarter, I’ve grown more into myself. I’ve taken the leap to become self-employed and now work in Disability Arts supporting artists and audiences with lived experience of disability. I could never have made this shift without the safety Co-operative Housing Ireland has given me. Having housing security has enabled me to build a career that suits my needs, and that helps to inspire social change.”

Kieron Brennan
CEO, Co-operative Housing Ireland:

“For over 50 years, Co-operative Housing Ireland has built a legacy of delivering secure homes and stable communities across the nation. Guided by a vision of a society where everyone has access to housing delivered co-operatively, our work is driven by a mission to enable vibrant, sustainable communities. Building on our legacy of supporting 3,000 households to deliver affordable ownership through co-operative efforts we now own and manage more than 5,750 homes. With over 15,500 individuals living in CHI homes, our growth reflects our commitment to empowering every member tenant.

Aoife, one of our member tenants, shared her personal story, exemplifying the life-changing difference that a secure home can make. Every day, we witness the profound impact that a secure home can have on an individual’s health, wellbeing and personal development empowering families to truly thrive. Our core values of co-operation, respect, inclusion, sustainability and passion are at the heart of all we do, guiding our approach and ensuring that every member tenant is supported.

We are deeply grateful for the invaluable support from the Housing Finance Agency, whose commitment has been instrumental in our expansion and in enhancing the quality of our services.

As we look ahead, we remain ambitious in our future delivery and look forward to further collaboration with our partners, funders, and member tenants, united in our pursuit of thriving, inclusive communities.”

A person-centred approach

Ben Breen is a HAIL client, who moved into his apartment in Blackrock, County Dublin, in 2024.

“It’s amazing, the apartment is lovely and everything is so central. Shane is my Support Worker, he meets me at least once a week and we go for coffee. I work down the road too and we fit it in around that.

“I got linked in with HAIL through the local mental health services and was on the housing waiting list.

“I slotted straight in. I’m originally from Stillorgan so I’m very close to where I grew up, so I can meet up with my sister, with my Dad and my Mam, I’m still close to that community.

“There are two other tenants in the same location, we knew each other before coming here. There’s also HAIL music groups, and a Men’s group, and so there’s great community.

“I couldn’t fault HAIL, everything is ‘no problem, if we can help we will’.”

Ireland’s Specialist Mental Health Housing Association

Founded in 1985, the Housing Association for Integrated Living (HAIL) is Ireland’s specialist mental health housing association.

As an Approved Housing Body, HAIL provides high-quality social housing and mental health tenancy sustainment services, supports people to live independently in their homes and communities.

HAIL received HFA Certified Borrower Status in 2015 and drew down its first loan with the HFA in 2016.

Melanie Plesker-Sheerin is a Mental Health Tenancy Sustainment Officer in Sligo. After initially starting work for HAIL through a scheme supported by the HFA Social Investment Fund in 2022, she still works part-time for the AHB.

“My job involves helping people with mental health issues moving into the community and helping tenants live independently, especially if they may potentially have difficulties maintaining their tenancy,” she said.

“It’s a person-centred approach. Having someone call to their house regularly helps with their integration and helps lower their social anxieties and helps create healthy routines, the contact is so important.”

HAIL

Ben's Story



A Flourishing Community

Fold Housing



As part of Fold Housing's successful submission to the HFA's Social Investment Fund, flower arranger Lisa Nevin regularly holds classes for the tenants in Café 44, which is part of the complex.

“ *I’ve lived in the area for many years and I was delighted to be offered the new place* **”**

The New Dolphin Park development in Dublin’s south inner-city was officially opened in 2022 with the support of HFA financing. Developed and managed by Fold Housing, which specialises in providing apartments and housing for older people and families, the 43-apartment complex has helped maintain an already strong community in its original location.

Mick Gorey is a tenant at New Dolphin Park

“I’ve lived in the area for many years and I was delighted to be offered the new place here when they built this development,” he said. “A lot of people from the older flats all moved over here. The homes are lovely and you can see yourself what a lovely community we have. I help out in the Memorial Garden and around the place with planting, and they regularly have events in the café.”

According to Fold Housing CEO Kathleen Cottier, the HFA Social Investment Fund has been successfully implemented in gardening projects across three of the AHB’s housing schemes for older persons, transforming communal spaces into vibrant, accessible and therapeutic environments.

“The funding was used to create raised garden beds, provide accessible planters, purchase flowers, shrubs, and vegetables, and improve outdoor seating areas, ensuring residents can fully enjoy their surroundings,” she said.

“Fold Housing has a vision of a society where older people have a great quality of life and choice. Our contribution to achieving this is to develop homes that older people want to live in and empower residents to live fulfilling lives that foster thriving communities. An important part of being able to do this well is partnership with residents and listening carefully to understand what is important to them.”

“At a focus group in 2024, to support the development of our strategic plan, our resident forum members talked about the challenges of staying healthy in older age and the problems of loneliness for many. This is a clear message to us that older person’s housing that enables people and communities to flourish needs services that go beyond the bricks and mortar. Supporting residents to take an active role in their community is a cornerstone of what we do in Fold. We know that it is residents who support each other and contribute most to thriving communities, however our helping hand is often the catalyst.”

Environmental, Social and Governance



Promoting sustainability within the housing sector

The Housing Finance Agency (HFA) is dedicated to embedding Environmental, Social and Governance (ESG) principles into its services and operations.

ENVIRONMENTAL

Acknowledging the global environmental challenges, the HFA understands its significant role in promoting sustainability within the housing sector. By collaborating with stakeholders such as employees, clients and suppliers, the HFA aims to enhance sustainability, better serve the community and deliver a strong performance under this goal.

We engage on a regular basis with all of our stakeholders to enable the growth of the HFA as a sustainable company. The HFA is committed to reducing its energy consumption, water usage, waste disposal and carbon footprint in a practical and cost-effective manner. Our Green Team, established in 2022, continues to drive the HFA's efforts to meet the targets set in the Government's Climate Action Mandate and our own Climate Action Roadmap.



Energy efficiency

A Staff Communications Initiative "Last Out, Lights Out" was introduced in 2024, to encourage staff to switch off electronic equipment, devices and systems in the HFA office at the end of the day.

The HFA's office greenhouse gas emissions for 2024 were 4,987 Co2/Kg, a decrease from the 5,863 Co2/Kg reported in 2023. This is a significant reduction from the 10,922 Co2/Kg reported in 2019, despite an increase in staff numbers from 19 to 28 during that period. Indeed, it is a 62% reduction on the baseline figure 2016-18 of 13,046 Co2/Kg.

This puts our current FTE (Full-Time Equivalent) output per employee at 676.46 kWh, compared to 1080.52 kWh in 2023, when there were 21 employees.

These figures were achieved despite the purchase in 2024 of additional computers and other electronic equipment for the office, in order to accommodate the expansion of the workforce.



Paper-based processes

The HFA is committed to reducing its use of paper and the HFA's Annual Report is, for the first time, digital only. Plans to reduce reliance on paper will be further supported by the implementation of a number of new IT processes or systems, including a move to Cloud-based storage.



Waste management

The team and staff as a whole are committed to a waste action plan that increases recycling and minimises waste generation by focusing on minimising packaging, promoting eco-design, and managing our segregation of waste. In 2024 the HFA chose suppliers for office and catering services who use recyclable packing materials wherever possible. Packaging and food from the canteen can be disposed of in our segregated waste bins.



Transport

The HFA office is located in Dublin City Centre and staff are encouraged to use public transport, to cycle or to walk to work. The Taxsaver Commuter and Bike to Work schemes are available to staff and secure bike storage and lockers are located in the building's car park. The HFA did not have any air travel in 2024.



Sustainable homes

HFA financing in 2024 facilitated the delivery of thousands of energy efficient homes, employing sustainable delivery and construction methods. 99% of HFA-financed homes in 2024 were A-rated and we continue to encourage customers to consider green initiatives and sustainable methods in their housing delivery.



Sustainable communities

The HFA also supports the development of sustainable programmes and facilities within communities through our Social Investment Fund. In 2024, the HFA awarded funding to Tuath Housing for the creation of a natural play space for children in Clarehall, Dublin, integrated within a grove of trees featuring eco-friendly materials and equipment designed to harmonise with the natural landscape.

SOCIAL

The HFA is committed to putting social responsibility at the heart of who we are as a company, both in how we treat our staff, our key stakeholders and for the benefit of communities at large.

Our Employment Assistance Programme is a 24/7 mental wellbeing programme which offers benefits to our employees, such as support and counselling services, legal assistance and mediation information.

We operate a hybrid and flexible-hours working environment which contributes to our staff's work-life balance.

Our business model of supporting the delivery of social and affordable housing means we are building healthy and sustainable communities together with our stakeholders and customers in the sector.

Our Social Investment Fund awards a total of €250,000 for the delivery of community-enhancing initiatives and facilities.

Twelve projects across eight different counties in total were chosen in 2024, including play spaces and community gardens, wellbeing and biodiversity programmes and the refurbishment of community hubs.

Human Rights & Equality

Since 2014, the Public Sector Equality and Human Rights Duty has been integrated into Ireland's legislative framework for human rights and equality. Section 42 of the Irish Human Rights and Equality Commission Act 2014 mandates public bodies in performing their functions to have regard for the need to eliminate discrimination, promote equality of opportunity and treatment for staff and persons to whom it provides services and protect the human rights of staff and services users.

As part of this duty, the HFA has placed equality and human rights at the heart of how a public body fulfils its purpose and delivers on its strategic plan. An Equality and Human Rights Working Group comprised of staff members from each department plays an important role in how the HFA progresses this duty and incorporates the principles into its policies and processes.

The HFA Corporate Plan outlines the following commitments:

- Develop and improve customer policies and processes to provide the best possible service to everyone, ensuring that there is no discrimination on grounds of gender, civil status, family status, sexual orientation, religious belief, age, disability, race or membership of the Traveller community.
- Support and facilitate government housing policy and other initiatives that promote equality and social inclusion.
- Continue to include principles of equality and non-discrimination in our staff and recruitment policies to provide equality of opportunity for all.
- Ensure that equal access is considered and accommodated in each area of the HFA's work and that information provided to stakeholders and customers is comprehensive, clear, accurate and accessible.

The HFA Customer Charter highlights how equality is valued within our organisation, as we strive to ensure that customers' rights to equal treatment, established by equality legislation, are upheld in the delivery of our services.

Through its financing to Local Authorities and Approved Housing Bodies, the HFA endeavours to eliminate barriers to accessing secure and high-quality housing for people experiencing poverty and social exclusion.

The HFA wants to reflect the diversity of its customers and of Irish society by ensuring equal opportunities within the HFA workforce, without any form of discrimination.

As of 31 December 2024, the HFA team consisted of 43% female staff and 57% male staff. The Board included 5 females (42%) and 7 males (58%). This gender distribution reflects our ongoing commitment to fostering diversity and promoting gender equality within our organisation.

When recruiting new staff, the HFA looks to advertise positions in a way which reaches the broadest range of candidates and most diverse talent pools. Accessibility is considered throughout the process, from the provision of job descriptions in an accessible format, to offering required supports or services during the interview process, such as Irish Sign Language interpreters.

In respect of 2024, no disclosures were made to the Agency under the Irish Human Rights and Equality Commission Act, 2014.

Irish language

The Housing Finance Agency recognises the importance of using the Irish language in communications by public bodies. We strive to ensure that customers who wish to conduct their business in Irish can do so and that all relevant documents are available in Irish. Our annual report, five-year strategy and other key corporate documents are accessible to the public in Irish through our website.

Section 10A of the Amended Official Languages Act, which pertains to advertising by public bodies, mandates that 20% of all advertising be in the Irish language and that 5% of the entire public body's advertising budget be spent on media platforms where more than 50% of the content is in Irish.

To fully comply with these regulations, public bodies must monitor all advertising and report to the Coimisinéir na Teanga's office at the designated time.

In 2024 the HFA reported full compliance with the regulations.

Social Investment Fund

As part of a Social Investment Fund award in 2024, the HFA supported a Tuath Housing collaboration with Hair Together. Young people living in Tuath developments were offered an opportunity to learn barbering and hair-dressing skills as a positive outlet and to stimulate creativity.



GOVERNANCE

The HFA has a strong governance structure around decision-making, with an effective and highly skilled Board of Directors and three supporting committees: Audit and Risk Committee, Credit Committee and Organisational Performance and Development Committee.

We follow the Corporate Governance guidelines as outlined in the Code of Practice for the Governance of State Bodies. This guide outlines key principles and rules to help our Board of Directors exercise its responsibilities and serve the interests of the company and its stakeholders. Our directors and all employees, including senior management, conduct themselves in accordance with the highest ethical standards, informed by a robust Code of Conduct for Directors and an Employees Code of Conduct.

The HFA has an Oversight and Performance Delivery Agreement with the Department of Housing, Local Government and Heritage, as required by the Code of Practice for the Governance of State Bodies.

The purpose of the agreement is to define the terms of the relationship between the HFA and its key stakeholders. The agreement provides details of the legal framework of the HFA, the roles and responsibilities of the HFA, compliance with the Code of Practice for the Governance of State Bodies, monitoring arrangements, and the duration of, and signatories to the agreement. The most recent Oversight and Performance Delivery Agreement has covered the period from 2022 to 2024.

Protected Disclosures

Under Section 22 of the Protected Disclosures Act 2014 each public body is required to publish an annual report setting out the number of protected disclosures received in the preceding year and the action taken (if any). This report must not result in persons making disclosures being identifiable.

No Protected Disclosures were made under the terms of the legislation in 2024.

Freedom of Information

The Freedom of Information Act (FOI), 2014, gives you the right to access records held by the Housing Finance Agency and other state organisations. The HFA continues to meet its obligations in relation to responding to Freedom of Information requests. There were four Freedom of Information Requests to the HFA in 2024.



Our Board



Frank Allen
Chairperson

Appointment to the Board

Appointed in May 2022 as a Non-Executive Board Member.

Committee Membership

Chairperson of the Credit Committee and a member of the Organisational Performance and Development Committee.

Career Experience

Frank has worked in infrastructure finance and operations over many years and now advises the World Bank and Governments in developing countries on public transport investment. He chairs the board of Corre Energy BV and was chair of Iarnród Éireann (2017-2023). He was chief executive of the Railway Procurement Agency from 2002 to 2012, during the implementation of Luas, and previously head of infrastructure finance at KBC Bank. He began his career with the International Finance Corporation, part of the World Bank Group. He has a long-standing commitment to social housing, and chaired the boards of Depaul Ireland and Depaul Housing Association.



Deirdre Collier
Chief Executive Officer

Appointment to the Board

Appointed in October 2024 as a Board Member (ex-officio) and subsequently in May 2020.

Committee Membership

Credit Committee and the Organisational Performance and Development Committee.

Career Experience

Deirdre is a respected Chief Finance Officer and Banking and Finance senior executive with 25 years' experience in the Financial Services sector. Having previously served as a Non-Executive Director with the Housing Finance Agency from May 2022 to May 2023, her most recent role was as Chief Finance Officer of Clúid Housing. Previously she was Head of Commercial Real Estate and Large Corporates at KBC Bank Ireland plc. Deirdre is a Chartered Accountant (FCA), holds an MBA from UCD and a Diploma in Corporate Governance from the Institute of Directors.

Our Board (continued)



Laura Behan

Non-Executive Director

Appointment to the Board

Appointed in March 2024 as a Non-Executive Board Member.

Committee Membership

Audit and Risk and Organisational Performance and Development Committees.

Career Experience

Laura is a career civil servant with a breadth of policy experience across a range of Government departments, including most pertinently financing of infrastructure investment, economic evaluation and housing policy. With a B.Comm (International) from UCD, she has worked in the Department of Finance, Department of Foreign Affairs, Department of Environment and Local Government, Department of Transport and is currently the Head of the Affordable Housing – Local Authority and Land Development Agency Delivery Unit in the Department of Housing.



Sinéad Carr

Non-Executive Director

Appointment to the Board

Appointed in January 2025 as a Non-Executive Board Member.

Committee Membership

Organisational Performance and Development Committee

Career Experience

Sinéad was appointed Chief Executive of Tipperary County Council in July 2024. She has held the position of Director of Services for a number of different portfolios over a 20 year period, including as a Director of Community and Enterprise in Wicklow, Director of Housing with South Tipperary County Council, Director of Planning, Community and Enterprise and as a Director of Community, Enterprise, Economic and Tourism Development with the newly merged Tipperary County Council. She previously held the position of Director of Services for Housing Delivery for TCC and managed Clonmel Borough Council. She has fulfilled the role as Senior Executive Planner with Wicklow County Council and has a Masters Degree in Regional and Urban Planning.

Our Board (continued)



Aidan Devlin

Non-Executive Director

Appointment to the Board

Appointed in January 2025 as a Non-Executive Board Member.

Committee Membership

Credit Committee.

Career Experience

Aidan is a Chartered Accountant and UCC Commerce graduate with over 40 years' experience in Financial Services, Project Finance and Asset Management both in Ireland and the Middle East. Now retired having previously held senior positions with KBC Bank Ireland plc and National Asset Management Agency, Aidan is currently a board member of The National Maternity Hospital and until recently a board member of Oaklee Housing.



Tom Enright

Non-Executive Director

Appointment to the Board

Appointed in May 2022 as a Non-Executive Board Member.

Committee Membership

Chairperson of the Organisational Performance and Development Committee.

Career Experience

Tom is the County and City Management Association (CCMA) nominee to the Board. He graduated with a degree in Civil Engineering from University College Cork and has obtained a M.Sc. in Engineering from Cranfield University in the UK and a Masters in Business Administration from DCU. His roles include Chief Executive of Wexford County Council, Director of the Local Government Management Agency (LGMA), Chair of the LGMA Change Management Committee, Director of Waterford Airport Company since 2015, Director of the Wexford Arts Centre Company since 2014.

Our Board (continued)



Michael Lee

Non-Executive Director

Appointment to the Board

Appointed in May 2022 as a Non-Executive Board Member.

Committee Membership

Credit Committee.

Career Experience

Michael is a qualified Chartered Accountant with experience in financial management and investments. Michael currently works as the Head of Investment Strategy and Origination at Reverence Capital Partners, a US private equity and credit investment firm. Previously Michael worked at FPG Amentum, a Dublin based aircraft lessor, as Senior Vice President Investor Markets. Michael also worked as the Deputy Director at the Irish Strategic Investment Fund with the National Treasury Management Agency. Michael worked at Goldman Sachs for 17 years in a variety of roles in the Investment Banking Division in New York where he was most recently responsible for the Investment Idea Generation Function and Sydney, where he was Head of the Financial Sponsors Group. Michael has also worked on a number of large Government asset privatisation transactions in Japan and Australia.



James Lidierrth
Non-Executive Director

Appointment to the Board

Appointed in March 2024 as a Non-Executive Board Member.

Committee Membership

Credit Committee.

Career Experience

James Lidierrth is an experienced corporate banking professional with extensive credit risk, customer management and internal audit business experience. James has held roles such as Head of Internal Audit for Capital Markets & Credit Risk at AIB Bank plc, Head of Credit Risk for Commercial Banking at Ulster Bank, previously a Director in Corporate Banking in Ulster Bank and also held various senior roles in Bank of Ireland. James is a graduate of UCD, Irish Management Institute and The Institute of Banking. James is an experienced non-executive director having previously served on the Council of the Institute of Banking and as a non-executive director of a major Irish pension fund.

Our Board (continued)



Thomas Mc Dermott
Non-Executive Director

Appointment to the Board

Appointed in May 2022 as a Non-Executive Board Member.

Committee Membership

Organisational Performance and Development Committee

Career Experience

Thomas qualified as a Chartered Accountant with Pricewaterhouse Coopers and is a Fellow of the Institute of Chartered Accountants. He later worked in London for Citigroup Corporate and Investment Bank and Royal Bank of Scotland in the areas of Corporate Reporting, Risk Management and Talent Development. He has served as a Non-Executive Director and Treasurer of Network/Stadium Homes a large housing association in London and as a Non-Executive Director and Chair of the Audit and Risk Committee of Qualifications and Quality Assurance Authority of Ireland. He is a graduate of Trinity College Dublin and holds a MSc in Economics from University College Dublin and a MSc in Sustainable Development from Technological University Dublin.



David Owens

Non-Executive Director

Appointment to the Board

Appointed in May 2022 as a Non-Executive Board Member.

Committee Membership

Audit and Risk Committee

Career Experience

David currently works on sustainable and climate finance in the Department of Finance and was appointed to the Board in May 2022. He has extensive public service experience gained in Ireland and overseas including in the Department of Public Expenditure, Infrastructure, Public Services, Reform and Digitalisation (DPEIPSRD) and in the European Commission. He has worked in financial services in the private sector and also in the Central Bank of Ireland and was previously appointed to serve on the Pensions Board.

Our Board (continued)



Aleksandra Szczecinska
Non-Executive Director

Appointment to the Board

Appointed in January 2025 as a Non-Executive Board Member.

Committee Membership

Audit and Risk Committee

Career Experience

Aleksandra is a Finance Director at Hattington Private Equity Group (Ireland and UK) with nearly 20 years of experience in the private equity sector, including CBI-registered regulated and unregulated property funds with residential, Purpose-Built Student Accommodation (PBSA), and commercial real estate investment portfolios. Most recently, Aleksandra served on the Audit, Assurance, and Finance (AAF) Committee for a Tier 3 Approved Housing Body (AHB), contributing expertise in financial compliance, governance, and strategic planning. A Fellow of the Association of Certified Chartered Accountants (FCCA), she holds an MSc in Professional Accountancy and a triple-accredited MBA (AACSB, AMBA, EQUIS) from the Open University.



Our Management Team



Andrew Keaveney
Head of Lending

Andrew has over 35 years' experience working in the Irish financial services sector. He has worked with Bank of Ireland and Ulster Bank DAC during that time in a number of different management and leadership roles throughout the East, Midlands & West of Ireland. He holds a number of qualifications including Batch Financial Services from UCD/Smurfit. Andrew joined the HFA in November 2024.



John Corbett
Head of ICT

John joined the HFA in December 2024, taking on the role of Head of Information and Communication Technology. Prior to this he served as Head of Technology at World Rugby. He brings over 30 years' IT experience across the sport and entertainment and financial services industries.



Heiko Krakowitz

Head of Risk and Compliance

Heiko has thirty years' experience working in the Financial Industry and has previously worked for 23 years with Citigroup in various leadership roles, across different products and geographies. He holds a PhD in Business Administration. Heiko joined the HFA in 2024.



Michelle Hennessy

Head of Corporate Services

Michelle manages the HR and Communications divisions of the HFA and oversees areas such as Procurement, Facilities and Governance. She joined the HFA in 2022 as Communications Manager, having previously worked for over a decade in various roles in print and broadcast journalism.

Directors' Report

The Directors present their report and the audited financial statements for the year ended 31 December 2024.

Results and dividends

	2024 €'000	2023 €'000
Total recognised gain for the year	70,775	73,725
Shareholders' funds at beginning of year	512,548	438,823
Shareholders' funds at end of year	583,323	512,548

This is an excellent result with profits generated by a margin policy, approved by the Directors, which is designed to ensure that the HFA has reserves sufficient to meet the estimated costs arising in the business.

The Directors do not propose the payment of a dividend for 2024 (2023: nil).

Note 18 to the financial statements details the HFA's financial risk, management objectives, details of its financial instruments and hedging activities and its exposures to credit, liquidity and market risks. The Directors' Report also addresses the significant business risks to which the HFA is exposed.

Review of the development of the business

Loans to local authorities (approved pre-27 May 1986)

The HFA was established to issue index-linked loans to local authorities for lending by them on an agency basis to individuals. A total of €403 million was advanced to local authorities under this scheme from 1982 to 1986 and was used to finance 15,571 mortgages. These loans were converted to variable and fixed rate loans in 2015, on the maturity of an underlying index-linked bond. On 31 December 2024 such loans represented outstanding balances of €1.14 million (2023: €1.14 million). The HFA is liable for any credit losses that may arise on these loans.

Loans to local authorities (approved post-27 May 1986)

With effect from May 1986, the HFA has issued loans to local authorities to be used by them for any purpose authorised by the Housing Acts 1966-2014 to finance social housing development. Outstanding loans to local authorities advanced since 27 May 1986 totalled €3.16 billion at end-December 2024 (2023: €3.18 billion).

A significant portion of these funds is retained by the local authorities for social housing purposes. The remainder is lent by the local authorities to individual

borrowers. The local authorities are responsible for any losses that may arise on these loans. In the context of:

- (i) local authorities being statutory bodies under the Local Government Act, 2001 and other enactments;
- (ii) their revenues or funds being security for the due payment to the HFA of all amounts due by local authorities (as set out in the agreement between each local authority and the HFA);
- (iii) all loans advanced to local authorities are approved by the Minister for Housing, Local Government and Heritage;
- (iv) the Board's understanding that Central Government supports local authorities in meeting their obligations to the HFA; and
- (v) the HFA has not experienced any loan losses on its loans advanced to local authorities after 1986.

The Board is of the opinion that, in substance, no credit risk arises, other than sovereign risk, on loans advanced to local authorities on or after 27 May 1986 and no loan loss provisions are recorded in respect of these loans.

In 2024, gross loan advances for Post May 1986 loans amounted to €158 million (2023: €174 million), repayments and redemptions totalled €185 million (2023: €346 million), resulting in net redemptions of €27 million (2023: net redemptions of €172 million). Such loans represented outstanding balances of €3.16 billion (2023: €3.18 billion). The HFA endeavours to work with the local authorities to develop appropriate loan structures for them to better match their financial circumstances. The HFA may provide extended loan terms, interest deferred periods or offer other renegotiations as appropriate. During 2024 the HFA renegotiated €20.5 million (2023: €8.30 million) of non-mortgage related loans and €nil (2023: €nil) of housing related loans. These renegotiations have taken place in the context of €3.16 billion of loans advanced to local authorities as at 31 December 2024 (2023: €3.16 billion) and thus represents renegotiation activity of circa 0.65% in 2024 (2023: 0.26%).

Renegotiated non-mortgage related and mortgage related loans were given extended interest only periods that did not result in impairment or derecognition of the original loan assets as it did not represent a significant modification of terms. The HFA ceases to consider these loans as renegotiated once one year of up-to-date scheduled repayments has elapsed post renegotiation. In this regard, the HFA considers €20.5 million of loans (2023: €8.30 million) to be renegotiated as at 31 December 2024 with €0.31 million (2023: €0.11 million) of interest income recognised on these assets.

Interest accrued on loans converted upon maturity at 31 December 2024 amounts to €nil (2023: €nil).

Loans to Approved Housing Bodies

Under Section 17 of the Housing (Miscellaneous Provisions) Act 2002, the HFA is empowered to lend directly to AHBs, which includes voluntary housing bodies and co-operative housing societies. Under the Social Housing Leasing Initiative, the

Department of Housing, Local Government and Heritage, through local authorities, leases suitable housing units from AHBs which are rented to social housing tenants nominated by local authorities.

Properties are either bought or built by AHBs and financed by loan finance raised by the AHB. Income received by the AHBs from a Payment and Availability Agreement (PAA) with a local authority for a period of up to 30 years, will fund the repayment of the HFA's loan.

AHBs wishing to borrow from the HFA have to submit to a general financial assessment in order to be assessed for Certified Body status (apart from those who have applied under the Category 2 product). Only when that status has been confirmed and a master loan agreement signed, can they then furnish loan applications which are subsequently assessed by the Credit Assessment team. As at 31 December 2024, 21 Certified AHBs (2023: 20) have been successful in obtaining Certified Body status.

The HFA's Credit and Management Committees, as at 31 December 2024, have approved 1,399 loan applications (2023: 1,201) totalling €8.20 billion (2023: €6.15 billion), €5.68 billion of which has been advanced (2023: €4.37 billion). It is anticipated that 2025 will herald continued growth in the level of lending in this area. The HFA continues to have frequent interaction with AHBs to develop the suite of products on offer.

Category 2 product

In 2016, the HFA introduced a 'Category 2' product offering for AHBs, whereby they could apply for loan finance without undergoing a full Certified Body assessment. From 1 May 2022 this limit was increased to €5 million. There are currently nine AHBs in this category.

Loan applications are considered on a case-by-case basis. To date, three AHBs have availed of the Category 2 offering and subsequently progressed to Certified Body status.

Loans to Higher Education Institutions

Under Section 51 of the Planning and Development (Housing) and Residential Tenancies Act 2016, the HFA is empowered to lend directly to higher education institutions (HEIs), for the development of new student accommodation.

These powers allow HEIs access the HFA's low cost, long term fixed rate finance for on and off campus student housing, thereby significantly reducing the costs to universities of such projects and improving the affordability for students. The provision of new student accommodation has the added benefit of freeing up existing rental stock to support additional social and affordable housing.

Currently five Universities have had loan facilities approved, totalling €256m for the provision of 2,218 new student bedrooms. It is anticipated that further loan applications will be received in the coming months. During 2024, the HFA advanced funds to HEI's of €nil million (2023: €7 million).

Going concern

The financial statements have been prepared on the going concern basis. In making its assessment of the HFA's ability to continue as a going concern, the Board of Directors has taken into consideration the significant risks and uncertainties that currently impact the HFA. The Risk Management section below and the 'Access to Funding and Going Concern' section within the Basis of Preparation section of the Statement of Accounting Policies, lists the HFA's business activities and takes into consideration the significant risks and uncertainties that currently impact the HFA.

In addition, Note 18 to the financial statements details the HFA's financial risk, management objectives, details of its financial instruments and its exposures to credit, liquidity and market risks. The assessment of going concern is presented on page 51.

Risk management

The Board is responsible for the HFA's system of risk management and internal control, which is designed to manage rather than eliminate the risk of failure to achieve business objectives and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Board has delegated responsibility for the ongoing monitoring of the effectiveness of this system to the Audit and Risk Committee. Details in relation to the Committee's work in this regard are set out in the Audit and Risk Committee Report on pages 50 to 57.

The Chief Executive Officer also reports to the Board, on behalf of Management, on significant changes in the business and external environment which affect risk. Risk is a standing item on the agenda at each meeting of the Board. Where areas for improvements in the system are identified, the Board considers the recommendations made by Management and the Audit and Risk Committee.

Directors

The Directors have considered the principal risks and uncertainties which impact the HFA. In this regard, the Directors have concluded that the HFA has potential exposure to credit risk, liquidity risk and market risks owing to its use of financial instruments for certain types of loans. The HFA's objectives, policies and procedures for measuring and managing these risks are set out above and in Note 18 to the financial statements. The Directors and Secretary have no interests in the shares or debentures of the HFA.

Contracts

There are no contracts to be noted.

Post statement of financial position events

No events have taken place since the year-end that would result in an adjustment to the financial statements or inclusion of a note thereto.

Electoral Act, 1997

The HFA made no political donations during the year.

European Communities (Late Payment in Commercial Transactions) Regulations 2012

The HFA is required to comply with the requirements of the European Community (Late Payment in Commercial Transactions) Regulations, 2012, giving effect to Directive No. 2011/7/EC of the European Parliament and of the Council of 23 February 2011 and its predecessor, the European Community (Late Payment in Commercial Transactions) Regulations, 2002. A review of all payments made during the year ended 31 December 2024 shows no late payments were made during 2024 under the above Act.

Accounting records

The Directors are aware of their responsibilities under Sections 281 to 285 of the Companies Act 2014 as to whether, in their opinion, the accounting records of the HFA are sufficient to permit the financial statements to be readily and properly audited and are discharging their responsibility by ensuring that sufficient company resources are available for the task. The accounting records are held at the HFA's Registered Office, 46 St. Stephen's Green, Dublin 2.

Corporate Governance

As required by the Code of Practice for the Governance of State Bodies, which the HFA has adopted, the Directors have prepared a Corporate Governance Statement, which is set out on pages 44 to 49 and which, for the purpose of Statutory Instrument 450/2009 European Community (Directive 2006/46) Regulations, forms part of the Report of the Directors.

Auditors

In accordance with Section 383(2) of the Companies Act, 2014, the Auditors, PKF Brenson Lawlor, Chartered Accountants, will continue in office. A resolution authorising the Directors to determine their remuneration will be proposed at the Annual General Meeting.

Principal risks and uncertainties

The Directors have considered the principal risks and uncertainties which impact the HFA. In this regard, the Directors have concluded that the HFA's principal risk

exposures are in respect of credit risk, liquidity risk and market risk owing to its use of financial instruments. The HFA's objectives, policies and procedures for measuring and managing these risks are set out in Note 18 to the financial statements.

Compliance Statement

The Directors have put in place appropriate arrangements or structures that, in their opinion, provide a reasonable assurance of compliance in all material respects with the HFA's "Relevant Obligations" for the purposes of section 225 of the Companies Act 2014 (the "Relevant Obligations").

The principal arrangements and structures that the HFA has put in place to secure material compliance with its Relevant Obligations are having suitably qualified and experienced personnel (both internal and external advisers) to perform and assist in the performance of legal and tax compliance and financial functions. In this regard, it appears to the Directors that the Company Secretary has the knowledge and experience to advise the HFA on the Company's compliance with its Relevant Obligations.

The HFA is also entitled to rely upon and has access to, service-providers and professional advisers who have the requisite knowledge and experience to advise the HFA on compliance with its Relevant Obligations.

Specifically, the Directors are satisfied that the Company Secretary:

- has been fully briefed regarding section 225 of the Companies Act 2014;
- is aware of and understands the Relevant Obligations and their relevance to the HFA's business and operations and vice versa;
- has undertaken a risk assessment in respect of those of the Relevant Obligations that are within his/her functional or operational responsibility;
- has implemented appropriate control processes in respect of each of the applicable Relevant
- has, or has access to other personnel who have, the requisite knowledge, skills, experience and resources to advise the HFA on the Company's compliance with its Relevant Obligations; and
- reports regularly to the Board of Directors of the HFA and through more frequent operational channels as necessary, regarding the control processes that are in place to ensure material compliance by the HFA with its Relevant Obligations;
- such that, taken together, these arrangements and structures provide a reasonable assurance of compliance by the HFA with those Relevant Obligations, in all material respects.

The Board will review these arrangements and structures at least annually.

Dividend

No dividend is due to be declared for 2024.

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and financial statements in accordance with applicable law and regulations. Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors have elected to prepare the financial statements in accordance with Companies Act 2014 and FRS 102 (the Financial Reporting Standard applicable in the UK and Ireland issued by the Financial Reporting Council). Under Company Law the Directors must approve the financial statements when they are satisfied that they give a true and fair view of the state of affairs of the HFA and of its surplus and deficit for that period.

In preparing the financial statements the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- comply with applicable accounting standards, identify those standards and note the effects and the reasons for any material departures from those standards; and,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the HFA will continue in business.

The Directors are also required under company law, to include a Directors' Report containing a fair review of the business and a description of the principal risks and uncertainties. Under company law the Directors are required to prepare a report to deal, so far as is material for the appreciation of the state of the HFA's affairs, with any change during the financial year in the nature of the business of the company.

The Directors are responsible for keeping proper books of account that disclose with reasonable accuracy at any time the financial position of the HFA and enable them to ensure that its financial statements comply with the Companies Act 2014. They are also responsible for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the website (www.hfa.ie).

Each of the Directors confirms that, to the best of each person's knowledge and belief,

- the HFA's financial statements, prepared in accordance with FRS 102, give a true and fair view of the assets, liabilities and financial position of the HFA at 31 December 2024 and of the profit of the HFA for the year then ended; and,
- the Annual Report and financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the HFA's performance, business model and strategy.

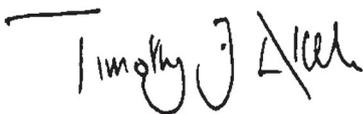
Statement of Disclosure to Auditor

Each of the Directors in office at the date of approval of this Annual Report confirms that:

- there is no relevant audit information of which the Company's Auditor is unsure; and,
- the Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's Auditor is aware of that information.

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

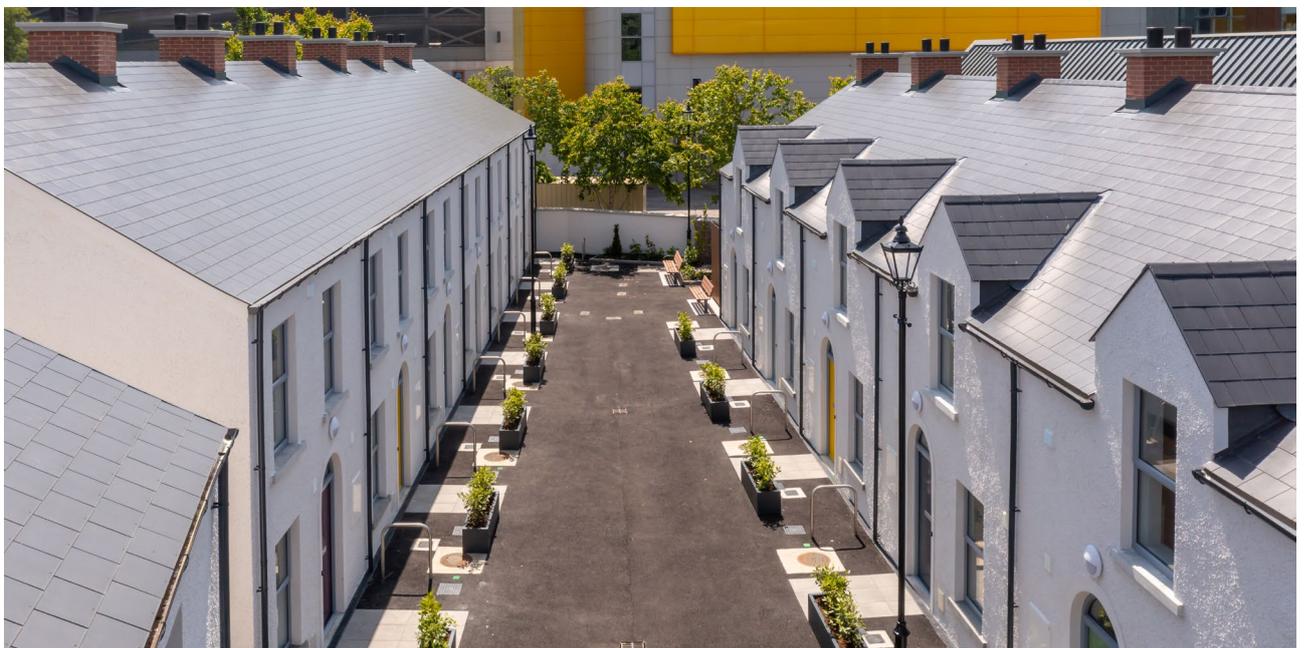
On behalf of the Board,



Frank Allen
Chairperson
28 March 2025



Deirdre Collier
Chief Executive
Officer
28 March 2025



Corporate Governance

The Directors are committed to maintaining the highest standards of corporate governance and comply with the Code of Practice for the Governance of State Bodies (the Code), as published by the Department of Public Expenditure, NDP Delivery and Reform. The revised and updated Code is designed to ensure that both commercial and non-commercial State bodies meet the highest standards of corporate governance. It provides a framework for the application of best practice and is intended to take account of developments in respect of oversight, reporting requirements and the appointment of Board members. The Code is based on the underlying principles of good governance: accountability, transparency, probity and a focus on the sustainable success of the organisation over the longer term.

The Board reviewed its obligations under the Code which includes requirements on the Board regarding consistency and appropriateness of disclosure, as well as a separate section for the Audit and Risk Committee in the Annual Report. The Directors have prepared a 'Corporate Governance Statement,' which is set out in this section and which, for the purpose of Statutory Instrument 450/2009 European Community (Directive 2006/46) Regulations 2009, forms part of the Directors' Report. The HFA has complied with the Code of Practice for the Governance of State Bodies.

Application of the Principles and Provisions of Corporate Governance

The following information explains how the HFA applies the principles and provisions of the Code of Practice for the Governance of State Bodies published by the Department of Public Expenditure, NDP Delivery and Reform.

Board of Directors

The Board takes the major strategic decisions and retains full and effective control while allowing Management sufficient flexibility to run the business efficiently and effectively within a centralised reporting framework.

The Board has a formal schedule of matters for decision pertaining to the HFA and its future direction such as major acquisitions and disposals, appointment and removal of the Company Secretary, expenditure budgets and risk management policies. Each non-executive Director brings independent judgement to bear on all matters dealt with by the Board including those relating to strategy, performance, resources and standards of conduct. All Board members have access to the advice and services of the Company Secretary who is responsible for ensuring that Board procedures are followed and that applicable rules and regulations are complied with. The HFA's professional advisors are available for consultation with Board members as required. Individual Directors may take independent professional advice, if necessary, at the HFA's expense.

At 31 December 2024, the Board of Directors comprised eleven non-executive Directors and one Executive Director. The Directors are appointed by the Minister for Housing, Local Government and Heritage in consultation with the Minister for Public Expenditure, NDP Delivery and Reform for a period not to exceed five years, unless the Minister sees fit to reappoint a Director for a second or subsequent term, up to a maximum of eight years. The roles of the Chairperson and Chief Executive Officer (CEO) are separate. The CEO is employed full time and does not have any other significant commitments. All Directors, except for the CEO, are independent non-Executive Directors. The Board met nine times in 2024 and is responsible for the proper management of the HFA. Four Directors were reappointed at the start of 2022 and have terms ceasing at the end of 2024. One of our directors has their term ceasing in 2025. Barry O’Leary retired as CEO 28 June 2024. Our current CEO Deirdre Collier was appointed 1 October 2024, replacing our interim CEO Fergal Ó Riagáin. We had two new Board members appointed during the year, James Lidiarth and Laura Behan in March 2024. All of the other Directors have terms ceasing in May 2027.

Attendance at Board meetings during the year ended 31 December 2024 and length of service at 31 December 2024

Members	Meetings held	Directors' attendance	Board service in years
Frank Allen (Non-executive Chairperson)	9	9	2.63 years
Barry O’Leary (Chief Executive Officer) *	5	4	9.16 years
Deirdre Collier (Chief Executive Officer) **	3	3	1.29 years
Laura Behan (Non-executive Director) ***	7	7	0.78 years
Tom Enright (Non-executive Director)	9	7	2.63 years
Aideen Hayden (Non-executive Director)	9	9	7.82 years
William Johnston (Non-executive Director)	9	9	7.82 years
Michael Lee (Non-executive Director)	9	9	2.63 years
James Lidiarth (Non-executive Director) ****	7	6	0.78 years
Thomas McDermott (Non-executive Director)	9	9	2.63 years
Rory O’Leary (Non-executive Director) *****	2	2	3.01 years
Fergal O’Riagain (Interim CEO, Director) *****	2	2	0.24 years
David Owens (Non-executive Director)	9	8	2.63 years
Lianne Patterson (Non-executive Director)	9	6	7.82 years
Jennifer Ward (Non-executive Director)	9	0	7.82 years

* Barry O’Leary resigned as CEO on 28 June 2024

** Deirdre Collier appointed as CEO on 1 October 2024, previous service as Board Director 17 May 2022 to 31 May 2023 (1.04 years service)

*** Laura Behan appointed on 22 March 2024

**** James Lidiarth appointed on 22 March 2024

***** Rory O’Leary resigned on 5 March 2024

***** Fergal Ó Riagáin appointed Interim CEO, Director 1 July 2024, resigned 25 September 2024

The Board of the HFA comprises individuals who bring a wide range and depth of experience to the activities of the HFA being drawn from experts from areas such as infrastructure, sustainable development, housing policy, legal services, the Departments of Housing, Local Government and Heritage, which should enable the HFA to address major future challenges.

Directors' Remuneration

The Minister for Housing, Local Government and Heritage determines the level of remuneration for the Board of Directors. Remuneration of non-executive Directors is not linked to performance. The table below provides details of all fees paid to Directors during the year.

Members	Fees 2024 €	Fees 2023 €
Frank Allen (Non-executive Chairperson)	11,970	11,970
Deirdre Collier (Non-executive Director) *	-	3,210*
Laura Behan (Non-executive Director) **	-	-
Tom Enright (Non-executive Director) ***	6,553	-
Aideen Hayden (Non-executive Director)	7,695	7,695
William Johnston (Non-executive Director)	7,695	7,695
Michael Lee (Non-executive Director)	7,695	7,695
James Lidierth (Non-executive Director)	5,983	-
Thomas McDermott (Non-executive Director)	7,695	7,695
Rory O'Leary (Non-executive Director) ****	-	-
David Owens (Non-executive Director) **	-	-
Lianne Patterson (Non-executive Director)	7,695	7,695
Jennifer Ward (Non-executive Director)	7,695	7,695
	70,676	61,350

* Deirdre Collier resigned as a Director on 31 May 2023

** Public servants serving on state boards in an ex officio capacity or on behalf of their Parent Department/organisation should not be paid remuneration in the form of board fees when serving in such a representational capacity.

*** Tom Enright resigned as a public servant on 23 February 2024

**** Rory O'Leary resigned on 5 March 2024

The remuneration of the Chief Executive Officer is detailed in Note 8 to the financial statements.

Organisational Performance and Development Committee

Governance Ireland suggested that when strategy HFA 2026 was agreed with the Department, it should guide the Board in restating its own role and in deciding the shape of future structures, processes and information sets required to support its work. In particular, the Board should give greater prominence to its responsibilities around performance oversight and risk oversight in formulating its future agenda.

The Committee was nominated in 2022 and the Committee operates under formal terms of reference approved by the Board.

Attendance at OPDC meetings during the year ended 31 December 2024

Members	Meetings held	Members Attendance
Tom Enright (Committee Chairperson)*	2	2
Deirdre Collier (Chief Executive Officer)**	1	1
Fergal Ó Riagáin (Interim Chief Executive Officer)***	1	1
Frank Allen	2	2
Laura Behan	2	2
David Downing****	2	2
Aideen Hayden	2	2
Andrew Keaveney*****	1	1
Heiko Krakowitzer*****	2	2
Maria O'Reilly*****	1	1
Lianne Patterson	2	2

* Tom Enright appointed as Chairperson 25 April 2024

** Deirdre Collier appointed as CEO on 1 October 2024

*** Fergal Ó Riagáin appointed Interim CEO, Director 1 July 2024, resigned 25 September 2024

**** David Downing appointed as Head of Finance on 4 June 2024

***** Andrew Keaveney appointed as Head of Lending 7 November 2024

***** Heiko Krakowitzer appointed as Head of Risk and Compliance 1 March 2024

***** Maria O'Reilly appointed Acting Head of Lending on 1 July 2024 and resigned 10 November 2024

Ethics in Public Office

The HFA is included in Statutory Instrument no. 699 of 2004 for the purposes of the Ethics in Public Office Acts, 1995 and 2001. The Members of the HFA and relevant staff have fulfilled their obligation under this legislation.

Protected Disclosures Act, 2014

There were no protected disclosures made to the HFA in 2024.

Human Rights and Equality

In accordance with Section 42 of the Irish Human Rights and Equality Commission Act, 2014 the HFA has established and maintains procedures to eliminate discrimination, promote equality and protect the human rights of people that use the Agency's services, people affected by its policies and people employed by the Agency.

The HFA has established a working group to identify priorities and key values in this area, which will be incorporated into the HFA's next Corporate Plan. Progress will be reported in the 2025 Annual Report.

In respect of 2024, no disclosures were made to the Agency under the Irish Human Rights and Equality Commission Act, 2014.

Administrative Expenses

In line with Appendix B.7 of the Code of Practice for the Governance of State Bodies, the total number of employees whose short-term benefits exceeded €60,000 p.a. (excluding employer pension costs) is as follows:

€	Number
160,001-170,000	1
150,001-160,000	-
140,001-150,000	-
130,001-140,000	-
120,001-130,000	-
110,001-120,000	1
100,001-110,000	3
90,001-100,000	2
80,001-90,000	2
70,001-80,000	2
60,001-70,000	3

Also, as required under Appendix B.5 of the Code, expenditure on external consultancy/advisory services for 2024 was as follows:

Legal fees: €2,434,077 (2023: €1,732,065). Legal fees are directly related to conveyances.

Management consultancy fees: €23,759 (2023: €25,516).

Total expenses reimbursed to Directors for travel and subsistence: €6,878 (2023: €10,794) and international travel (in relation to the UK and the EU): €nil (2023: €nil).

Travel and subsistence for employees: €6,020 (2023: €7,349) and international travel (in relation to the UK and the EU): €nil (2023: €nil).

Hospitality expenditure: €8,632 (2023: €8,042).

Board Committees

The Board has an effective committee structure to assist in the discharge of its responsibilities. Please see the terms of reference for each Board Committee available on the HFA website, www.hfa.ie.

Audit and Risk Committee

Please see Audit and Risk Committee Report on pages 50 to 57.

Credit Committee

The HFA's Credit Committee comprises members of the Board and Management. The Committee was established in 2009 to maintain credit risk within Board policy, to review the creditworthiness of AHBs and approve credit risk limits before proceeding to advance such monies to AHBs. The Committee operates under formal terms of reference approved by the Board.

Attendance at meetings during the year ended 31 December 2024

Members	Meetings held	Members Attendance
Frank Allen (Committee Chairperson)	11	11
Barry O’Leary (Chief Executive Officer) *	6	5
Deirdre Collier (Chief Executive Officer) **	3	3
Seán Cremen ***	4	3
David Downing****	6	5
Aideen Hayden	11	11
Andrew Keaveney*****	1	1
Heiko Krakowitzer*****	7	6
William Johnston	11	11
Michael Lee	9	7
James Lidierth	2	2
Maria O’Reilly	11	10

* Barry O’Leary resigned as CEO on 28 June 2024

** Deirdre Collier appointed as CEO on 1 October 2024

*** Seán Cremen retired 4 April 2024

**** David Downing appointed at July 2024 meeting

***** Heiko Krakowitzer appointed at March 2024 Meeting

***** Andrew Keaveney appointed at December 2024 Meeting

Induction and Professional Development

There is an induction process for new Directors. Its content varies between Executive and non-executive Directors. In respect of the latter, the induction is designed to familiarise non-executive Directors with the HFA and its operations and comprises the provision of relevant briefing material including details of the HFA’s strategic and operational plans and a programme of meetings with the Chief Executive Officer and Management.

Relations with Stakeholders

The Directors and Management maintain an ongoing dialogue with the HFA’s stakeholders on strategic issues. Certain specified matters require the approval of the Minister for Housing, Local Government and Heritage and/or the Minister for Public Expenditure, NDP Delivery and Reform, in respect of which, ongoing communication with the Ministers, through their departments, is maintained.

Dedicated email address for Oireachtas members

The HFA has a dedicated email address for Oireachtas members to provide enquiries -oireachtas.enquiries@hfa.ie. The HFA received two enquiries in 2024 (2023: four). These were acknowledged and responded to within the required timelines.

Accountability and Audit

Accounts and Directors' responsibilities

The Directors have reviewed the 2024 Annual Report and believe that it presents a fair, balanced and understandable assessment of the HFA's position and prospects.

Viability statement

The Directors have assessed the viability of the HFA taking into account its current position and the principal risks facing the HFA over the next two years to 31 December 2026. The Directors have assumed that a two-year time span is an appropriate period for the annual assessment given that this is the key period of focus within the HFA's strategic planning process.

The assessment considered current financial performance, funding and liquidity management of the HFA and the governance and organisation framework by which the HFA manages and seeks, where possible, to mitigate risk, as described in Note 18. An assessment of the principal risks facing the HFA including those that affect the operations, governance and internal control systems was also undertaken and considered, the details of which are included in Note 18. The Directors have a reasonable expectation, taking into account the HFA's current position and subject to the identified risks, that the HFA will continue in operation and meet its liabilities as they fall due over the two-year period of assessment.

Corporate Governance Compliance

Internal audit

The Directors are satisfied that a sufficient level of independence is afforded to the internal audit function to allow it to carry out its duties in an objective and sufficiently independent manner.

Defined benefit pension scheme disclosure for Directors

The Directors have complied with the disclosure guidelines set out in the Code of Practice for the Governance of State Bodies.

On behalf of the Board,



Frank Allen
Chairperson
28 March 2025



Deirdre Collier
Chief Executive Officer
28 March 2025

Audit and Risk Committee Report

The purpose of the Audit and Risk Committee, as outlined in its terms of reference, is to assist the Board in its general oversight of the HFA's financial reporting, internal controls, risk management and audit functions. The responsibilities of the Audit and Risk Committee are discharged through its meetings and receipt of reports from Management, the Head of Risk and Compliance, external consultants and the external and internal auditors. The Audit and Risk Committee has an agenda, for the year that includes:

- monitoring the financial reporting process, integrity of the financial statements and any formal announcements relating to the HFA's financial performance;
- monitoring the effectiveness of the HFA's risk management and internal control arrangements;
- reviewing significant financial reporting judgements;
- reviewing any proposed changes to corporate governance practices and endorsing the same for adoption by the Board;
- monitoring the statutory Audit of the Annual Financial Statements;
- reviewing the External Auditor's performance, objectivity, qualifications and independence;
- making recommendations to the Board in relation to the appointment of the External Auditor, the approval of the Auditors' remuneration and terms of engagement;
- dealing with any significant control issues raised by Internal or External Audit;
- reviewing the HFA's cost of funds and interest rates charged; and,
- monitoring compliance with the General Data Protection Regulation and the Irish Data Protection Acts.

In line with Section 289 of the Companies Act 2014, the financial statements must give a true and fair view of the assets, liabilities and financial position, as at the end of the financial year and profit or loss, for the financial year.

Risk Management reports to the Audit and Risk Committee and to the Board on a regular basis. An annual review of the financial risk of the HFA was performed by the Board at its 28 March meeting.

Attendance at Audit and Risk Committee meetings for the year ended 31 December 2024

Members	Meetings held	Members Attendance
Lianne Patterson (Committee Chairperson)	4	4
Laura Behan*	3	3
William Johnston	4	4
Thomas McDermott	4	3
David Owens	4	4
Jennifer Ward**	1	-

* Rory O’Leary resigned on 5 March 2024 and was replaced by Laura Behan who was appointed to the committee at the April 2024 Board meeting

** Not reappointed to the ARC at the April 2024 Board meeting

The Chief Executive Officer, Head of Lending, the Company Secretary, the Head of Risk and Compliance and representatives of the Internal and External Auditors attend upon invitation.

Monitoring the integrity of the financial statements including significant judgements

Financial Reporting

The Audit and Risk Committee receives and considers regular reports on financial performance from Management during the course of the year, as well as directing the work of and receiving reports from, the Internal Auditor and discussing the audit strategy and focus of the External Auditor.

Taking into account the information from these activities and views from the meetings of the Board of Directors, the Committee determined the key risks of financial reporting related to the availability of funding and going concern and provisions for doubtful debts arising on post- 1986 loans in the context of current market conditions.

These issues were discussed with Management during the year and with the External Auditor at the conclusion of the external audit of the financial statements. Management represented to the Audit and Risk Committee that the HFA’s audited financial statements were prepared in accordance with Companies Act 2014 and FRS 102.

This review included a discussion with Management of the quality, not merely the acceptability, of the HFA’s accounting principles, the reasonableness of significant estimates and judgements and the clarity of disclosure in the HFA’s financial statements, including the disclosures related to critical accounting estimates.

Availability of funding and going concern

These financial statements have been prepared on a going concern basis. The Guaranteed Note ("GN") Programme is guaranteed by the Minister for Finance and facilitates issuance to a maximum maturity of thirty years from the date of issue. At the end of 2024, the average maturity of HFA debt was 11.04 years (2023: 10.8 years). This provides a stable funding base for the HFA's loan portfolio and significantly reduces short term liquidity risk for the HFA.

The liability maturity profile is expected to increase in 2025 as further additional long-term fixed rate funding is expected to be accessed via the GN Programme with the NTMA and the bilateral agreements with the European Investment Bank and the Council of Europe Development Bank. In addition, the HFA will continue to have access to the NTMA and a Bank overdraft for short term liquidity needs as required.

The Audit and Risk Committee is satisfied with the disclosures of the appropriateness of the going concern assumption and access to funding that are made in these financial statements.

Misstatements

Management confirmed to the Audit and Risk Committee that it was not aware of any material or immaterial misstatements made intentionally to achieve a particular presentation.

Interaction with Management

The Audit and Risk Committee, as part of the approval of the financial statements, obtains and reviews a paper prepared by Management which sets out the significant risks impacting the HFA, a detailed assessment of these risks and how they are mitigated. The Committee challenges the assumptions and judgements contained in these management reports prior to submitting the financial statements to the Board for approval. See the financial statements for further information relating to the Audit and Risk Committee's ongoing responsibilities in respect of the HFA's internal controls.

Recommendation of Approval of Financial Statements

As a result of these reviews and discussions with Management and Internal Audit, and the reports to the Audit and Risk Committee of the External Auditor, the Committee has reported to the Board that it considers the financial statements, taken as a whole, to be fair, balanced and understandable and provides the information necessary for stakeholders to assess the HFA's performance, business model and strategy. The Audit and Risk Committee also recommended the inclusion of the audited financial statements in the HFA's Annual Report for the year ended 31 December 2024.

External Audit

Audit Firm Tendering

In 2024 the HFA continued its practice of tendering for the provision of external audit services every three years, to cover the 2024-2026 external audit period and PKF Brenson Lawlor were the tender winners. The Board recommended the appointment of JPA Brenson Lawlor as independent External Auditor for a tenure of 3 years.

Ensuring the independence of our external auditor

The Audit and Risk Committee believes the issue of auditor independence is taken very seriously and is reviewed annually. The Audit and Risk Committee has discussed with PKF Brenson Lawlor and Management regarding the firm's independence and there were no issues to note.

In 2024, apart from audit work, there was no other non-audit services carried out by our independent external auditor. The Audit and Risk Committee via its terms of reference reviews non-audit work performed by the external auditor and confirms that there is no adverse effect on actual or perceived independence or objectivity of the audit work itself.

The Board of the HFA monitors the provision of non-audit services by the external auditor and the Audit Committee through the ongoing review of administration expenses. Given that there were no non-audit services provided by PKF Brenson Lawlor during 2024, therefore there was no conflict with auditor independence.

Forvis Mazars carried out the provision of Internal Audit services for 2024. This service is due to be tendered for in 2025.

Year ended	31 December 2024 €'000	31 December 2023 €'000
Audit of financial statements	39	35
Tax advisory services	-	-
Other services	-	-
Total Auditors remuneration	39	35
Internal audit fees	53	25

Figures in the above table are exclusive of VAT

Liaising with external auditors

The Audit and Risk Committee provides a link between the Board and the External Auditor and is independent of the HFA's Management. PKF Brenson Lawlor, the HFA's statutory auditor, is responsible for performing an independent audit of the HFA's financial statements in accordance with international Standards on Auditing (Ireland). The Audit and Risk Committee has ultimate authority and responsibility for selecting, compensating, evaluating, and, when appropriate, replacing the HFA's independent audit firm. In accordance with Section 383(2) of the Companies Act 2014, the Auditor, PKF Brenson Lawlor, Chartered Accountants, will continue in office.

The Audit and Risk Committee pre-approves all services to be provided by the external auditors. Pre-approval includes audit services, audit-related services, taxation advice and other services.

The Audit and Risk Committee also has the authority to engage its own outside advisors, including experts in particular areas of accounting, as it determines appropriate, apart from counsel or advisors hired by Management.

Assessment of external audit process

The performance of the External Auditor is reviewed annually by the Committee at the end of the annual audit cycle. The review encompasses feedback from Management and staff of the HFA involved in the audit process, together with a review of the level of service provided by PKF Brenson Lawlor to the HFA. Based on its consideration of the feedback, together with its own ongoing assessment, for example through the quality of the external auditors' reports and the audit partner's interaction with the Committee, the Audit and Risk Committee is satisfied that PKF Brenson Lawlor continues to provide an effective audit service.

Risk Management

As prescribed by the revised Code of Practice for the Governance of State Bodies, the Risk Register, overseen by the Audit and Risk Committee, was adopted by the Board and a formal Risk Management Committee, consisting of Senior Management, has been operational since 2009. In March 2024, the HFA appointed a Head of Risk and Compliance to provide for a direct reporting line to the Board to identify, measure and manage risk and promote a risk management culture in the organisation. The Head of Risk was tasked with the development of a separate Risk Department in the HFA.

The HFA operates the Three Lines of Defence model of Risk Management.

Reporting to the Chief Executive Officer, the Head of Risk has a direct responsibility for the management of the second line of defence. The Risk Department is tasked with preparing Risk and Compliance submissions to the Audit and Risk Committee and the Board, managing matters such as GDPR, Government reporting, Code of Practice and maintaining up-to-date Company Policy documents. The Risk Department also maintains the Risk Register and provides ongoing report to the Audit and Risk Committee and Board.

The Risk Register is regularly reviewed by the Committee. The monitoring of risk remains a standing item at Board meetings. The HFA is a financial business and the key risks associated with the business are therefore essentially financial, credit and also treasury related risk (i.e. market and liquidity risks). These risks are outlined in more detail in Note 18 of our financial statements.

The HFA has developed a risk management process which includes regular reviews of its loans and advances portfolio and an ongoing review of treasury related risk, which allows it to manage these risks. The Board of the HFA adopted a Credit Policy regarding lending to AHBs in 2013 which is regularly updated, most recently in December 2024.

Credit and market risks are dealt with by a reserves and margin policy as detailed in the HFA's Policies and Procedures Manual and also within the Risk Register. In the context of the HFA's Balance Sheet, interest rate risk arises where a move in interest rates gives rise to a change in the cost of existing funding, which is not offset by a corresponding change in the income earned from existing loans, leading to a positive or negative impact on current and future profitability. To measure this risk, HFA Management developed an Interest Rate Risk (IRR) model which calculates the outstanding IRR exposure on an annual basis (the annual gap) for all fixed rate liabilities and assets, up until their re-pricing date. The IRR model has been reviewed and reported on by the HFA's external auditors.

The HFA carries out a comprehensive annual review on all categories of risk, which is approved by the Board and forms part of the HFA's interest rate and reserves policy for subsequent years. The Board is informed on an ongoing basis of developments and of corrective actions taken, if applicable.

The Audit and Risk Committee assesses material risks, namely:

- interest rate risk mismatch;
- funding, liquidity and going concern risks;
- credit risk associated with post-May 1986 local authority lending;
- local authority mortgage arrears;
- credit risk associated with approved housing body lending;
- credit risk associated with higher education institution lending;
- credit risk associated with pre May 1986 local authority lending; and,
- funding risks in relation to the defined benefit pension scheme.

Pre 27 May 1986 local authority loans

The HFA is liable for any credit losses that may arise on pre-May 1986 local authority mortgages, which are secured by the underlying mortgage property and mortgage protection insurance. The loans outstanding for pre-May 1986 loans at 31 December 2024 amount to €1.15m (2023: €1.15m).

Post 27 May 1986 local authority loans

For all local authority loans approved and issued by the HFA post 27th May 1986, the lending contract is between the HFA and the local authority. The HFA's recourse is to the local authority in all of these cases and is not conditional on any other economic factors. In the context of:

- (a) local authorities being statutory bodies under the Local Government Act, 2001 and other enactments;
- (b) their revenues or funds being security for the due payment to the HFA of all amounts due by local authorities (as set out in the agreement between each local authority and the HFA);
- (c) all loans advanced to local authorities are approved by the Minister for Housing, Local Government and Heritage;
- (d) the Board's understanding that central Government supports local authorities in meeting their obligations to the HFA; and,
- (e) the HFA has not experienced any loan losses on its loans advanced to local authorities after 1986.

The Board is of the opinion that, in substance, no credit risk arises, other than sovereign risk, on loans advanced to local authorities on or after 27 May 1986 and no loan loss provisions are required in respect of these loans. The Audit and Risk Committee is satisfied with the use of this assumption in the preparation of these financial statements and with the disclosure of these circumstances. At 31 December 2024 following the renegotiation of the terms of certain loans, all local authorities were up to date with their scheduled repayments on this portfolio (see Note 18 (a)). The HFA has not experienced any losses on its post May 1986 loans advanced to local authorities.

Loans to Approved Housing Bodies

Up until 2011, the Government grant-funded AHBs, through local authorities, for social housing, following which a decision was taken to introduce loan finance to replace grants and for lending directly to AHBs to enable the timely completion of social housing projects. The HFA was given a central role in the provision of loan funding for the sector, in the absence of competitive rates and tenors, in the market, at the time.

The HFA established a process for the assessment of AHBs, for 'Certified Body' status, i.e., deemed suitable for the provision of loan finance. The assessment process for AHBs has two parts. The first is a market standard corporate review which uses a scoring matrix to assess current performance, corporate governance

and development and financial plans. The application is then brought before the HFA's Credit Committee for consideration, following which, applicants are awarded Certified Body status and can apply for funding on a case-by-case basis. Project applications are supported by the State funded Capital Advance Leasing Facility (CALF) and a Payment and Availability Agreement (PAA).

In December 2015, the HFA launched a lending initiative specifically targeted at AHBs who do not hold Certified Body status. This product targets AHBs with lending requirements from a minimum of €0.25 million up to €5 million and is specifically tailored towards property acquisitions. Tier 2 AHBs that apply for this product do not have to undergo a full HFA credit review process.

There has been significant growth in AHB activity which has continued in 2024, strongly supported by the HFA's range of fixed rate finance offerings including acquisition, new build and mortgage-to-rent products. In particular, the National Treasury Management Agency (NTMA), European Investment Bank ("EIB") and Council of Europe Development Bank ("CEB") financing has facilitated long-term fixed rate funding out to 30 years at a current rate of 3.75%, which has significantly de-risked the interest rate environment for AHBs borrowing from the HFA. The HFA remains confident that it can play a central role in ensuring that development plans can be supported by competitive and flexible financing which will meet the needs of the AHB sector.

Loans to Higher Education Institutions

Section 51 of the Planning and Development (Housing) and Residential Tenancies Act, 2016, allows the HFA to lend to Higher Education Institutions (HEIs) for the development of new student accommodation. These powers allow HEIs to access the HFA's low cost, long term fixed rate finance for on and off-campus student housing, thereby significantly reducing the costs to universities of such projects and improving the affordability for students. The provision of new student accommodation has the added benefit of freeing up existing rental stock to support additional social and affordable housing.

Currently five Universities have received loan approvals totalling €256m for the provision of 2,218 new student bedrooms.

It is anticipated that further loan applications will be received in the coming months. The HFA advanced no funds to HEIs in 2024 (2023: €7 million to one HEI)

Loans to Technological Universities (TUs)

There is currently no borrowing framework in place for these institutions and they cannot raise debt directly. It is anticipated that this will be changed in forthcoming legislation although the timing of this is uncertain.

Treasury

The HFA raises funding, with the support of a Guarantee from the Minister for Finance, largely through the NTMA, local authorities and international agencies such as the European Investment Bank and the Council of Europe Development Bank.

Review of Internal Controls

The Directors have responsibility for maintaining a system of internal control which provides reasonable assurance of effective and efficient operations, internal financial control and compliance with laws and regulations. In this context the Audit and Risk Committee has regard to what, in its judgement, is appropriate to the HFA's business, to the materiality of the financial and operational risks inherent in the business and to the relative costs and benefits of implementing specific controls. The HFA has a policy, outlined in its Policies and Procedures Manual, whereby employees can raise concerns, in confidence, about possible irregularities in financial reporting or other matters.

The Board has devolved the task of reviewing risks, in detail, to the Committee and this is a standing agenda item for meetings of the Audit and Risk Committee. The Audit and Risk Committee subsequently reports and makes recommendations to the Board on its findings, with the Board tasked with overseeing risk and considering recommendations from the Committee. At each of the meetings of the Audit and Risk Committee a review is undertaken of one area of risk as detailed in the HFA's Risk Register.

The HFA's system of internal control is designed to provide reasonable, but not absolute, assurance against the risk of material errors, fraud or losses occurring. It is possible that internal controls can be circumvented or overridden. Further, due to changes in conditions, the effectiveness of an internal control system may vary over time.

HFA Management endeavours to amend internal control systems in line with changes in the underlying business in a timely manner.

The Internal Auditor, (currently outsourced to Mazars until November 2025) identifies and evaluates the HFA's internal control systems as a basis for reporting upon its adequacy and effectiveness. An approved plan is agreed with the Audit and Risk Committee and the Internal Auditor plans, performs and evaluates their work based around this schedule. If significant weaknesses are found with internal controls within any sample tested, the Internal Auditor reverts to carrying out substantive tests on the areas where the controls were found to be ineffective/defective. The Audit and Risk Committee reviews the reports carried out by the Internal Auditor on a regular basis and the Internal Auditor also holds a yearly private meeting with the Committee, without Management present, where any issues can be raised by either the Internal Auditor or the Committee.

The Directors have established an organisational structure with defined responsibility for internal control for each element of the HFA's business and this, together with the associated responsibility for reviewing periodically the effectiveness of such internal control, is formally reported upon by the Chief Executive Officer once a year and is subject to testing by Internal Audit throughout the year with reports issued to the Audit and Risk Committee. The key elements of the system of internal control are as follows:

- a clearly defined organisational structure with appropriate segregation of duties and limits of authority;
- internal financial controls documented in a Policies and Procedures Manual which is reviewed annually and any subsequent changes approved by the Board;
- clearly defined limits and procedures for financial expenditure including procurement and capital expenditure;
- annual budgets (and means of comparing actual results with budgets during the year) and long-term plans for the HFA identifying key risks and opportunities;
- monthly management accounts prepared and presented to the Board;
- Internal Audit reviewing key financial systems and controls;
- an Audit and Risk Committee dealing with any significant control issues raised by Internal or External Audit; and,
- the preparation and issue of financial reports, including the Annual Report, managed by the Finance Section with oversight from the Audit and Risk Committee. The financial reporting process is controlled using documented accounting policies. Whilst the Directors have the responsibility for the preparation of the financial statements, the Directors are supported by Senior Management and professional advisors, such as an actuary, who have responsibility and accountability to provide information in keeping with agreed policies, including the completion and reconciliation of financial information to processing systems. Its quality is underpinned by arrangements for segregation of duties to facilitate independent checks on the integrity of the financial reports. The financial information for each year is subject to review by Senior Management prior to being submitted to the Audit and Risk Committee. The Annual Report is also reviewed by the Audit and Risk Committee in advance of being presented to the Board for its approval.

The Audit and Risk Committee has reviewed and discussed with Management its assessment and report on the effectiveness of the HFA's internal control over financial reporting as of 31 December 2024.

Discussions with the Auditor

The Audit and Risk Committee has received and discussed a report from the External Auditor on the findings from the external audit engagement, including those relating to the risks noted above. The External Auditor reported to the Audit and Risk Committee about whether they found any misstatements in the course of their work and no material amounts remain unadjusted.

Committee Effectiveness

The effectiveness of the Committee is reviewed on an annual basis by both the Board and the Committee itself. Following such reviews, the Committee is satisfied to advise that it is considered to have discharged its duties, as per its terms of reference, in an effective and efficient manner.

Conclusion

After reviewing the presentations and reports from Management and Internal Audit and taking into account views expressed by the External Auditor, the Audit and Risk Committee is satisfied that the financial statements appropriately address the critical judgements and key estimates, both in respect to the amounts reported and the disclosures. The Audit and Risk Committee is also satisfied that it has sufficiently scrutinised and challenged the significant assumptions used for determining the value of assets and liabilities.

On behalf of the Audit and Risk Committee,



Frank Allen
Director

28 March 2025

Report of the Independent Auditor to the Members of Housing Finance Agency Plc

Opinion

We have audited the financial statements of Housing Finance Agency plc (the 'company') for the year ended 31 December 2024 which comprise the Income Statement, the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and the related notes. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2014 and FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2024 and of its gain for the year then ended;
- have been properly prepared in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been prepared in accordance with the requirements of the Companies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA) and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our assessment of risks of material misstatement

The risks of material misstatement detailed in this section of the report are those risks that we have deemed, in our professional judgement, to have had the

greatest effect on: the overall audit strategy; the allocation of resources in our audit; and directing the efforts of the engagement team. Our audit procedures relating to these risks were designed in the context of our audit of the financial statements as a whole. Our opinion on the financial statements is not modified with respect to any of these risks and we do not express an opinion on these individual risks.

In arriving at our audit opinion above on the financial statements, the risks that had the greatest effect on the audit were as follows:

Existence and recoverability of loans

There is a risk that loans on the Agency's loan book do not exist, or that funds have been disbursed to bodies other than the Local Authorities or Approved Housing Bodies. There is also a risk that loans may not be recoverable and that credit risk arises on the Agency's loan book, particularly post May 1986 loans which account for the substantial portion of the Agency's loan book.

We selected a sample of loans outstanding at the statement of financial position date, including loans that were advanced during the year. We inspected the documentation to support each of these loans and we performed recalculations of the amounts outstanding on each of the loans at the statement of financial position date, referring to key inputs such as interest rates and repayment history. In all cases we discussed the status of each loan with management. In relation to recoverability, we considered the disclosures made in the Audit Committee Report in relation to the recoverability of post May 1986 loans in particular. We are satisfied that management's assessment that there is no credit risk on post May 1986 loans is appropriate.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the HFA's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue. Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2014

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

- the information given in the Directors' Report is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

We have obtained all the information and explanations which we consider necessary for the purposes of our audit.

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

Matters on which we are required to report by exception

Based on the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Report.

We have nothing to report in respect of our obligation under the Companies Act 2014 to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by sections 305 to 312 of the Act are not made.

Responsibilities of directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of

accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the IAASA's website at: [http://www.iaasa.ie/Publications/Auditing-standards/International-Standards-on-Auditing-for-use-in-Ire/International-Standards-on-Auditing-\(Ireland\)/ISA-700-\(Ireland\)](http://www.iaasa.ie/Publications/Auditing-standards/International-Standards-on-Auditing-for-use-in-Ire/International-Standards-on-Auditing-(Ireland)/ISA-700-(Ireland)). This description forms part of our auditor's report.

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

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



Thomas McDonald
For and on behalf of JPA Brenson Lawlor Chartered Accountants,
Statutory Audit Firm

Argyle Square,
Morehampton Road
Donnybrook,
Dublin 4,

28 March 2025

Income Statement

	Note	31 December 2024 €'000	31 December 2023 €'000
Interest income	5	210,809	162,154
Interest expense	6	(135,788)	(93,414)
Net Interest Income		75,021	68,740
Administration expenditure	7	(3,271)	(2,492)
Operating lease	7	(197)	(197)
Depreciation on tangible assets	7,12	(195)	(134)
Other Administration Expenses	9	(229)	(212)
Gain on ordinary activities before finance income/expense		71,129	65,705
Finance income	10	272	8,439
Finance expense	10	-	-
Gain on ordinary activities after finance income		71,401	74,144

The accompanying notes on pages 76 to 121 form an integral part of the financial statements.

On behalf of the Board,



Frank Allen
Chairperson
28 March 2025



Deirdre Collier
Chief Executive Officer
28 March 2025

Statement of Comprehensive Income

	Note	31 December 2024 €'000	31 December 2023 €'000
Gain on ordinary activities after finance income		71,401	74,144
Actuarial gain/(loss)	17	(626)	(419)
Total comprehensive income for the financial year		70,775	73,725



Statement of Financial Position

	Note	31 December 2024 €'000	31 December 2023 €'000
Assets			
Cash and cash equivalents	11	322,493	26,138
Property, plant and equipment	12	375	309
Loans and advances	13	8,709,870	7,543,008
Other debtors and receivables	14	2,716	3,029
Total assets		9,035,454	7,572,484
Liabilities			
Debt securities in issue	15	7,300,478	5,982,847
Bank loans	16	1,149,926	1,075,765
Pension scheme deficit	17	297	9
Other payables		1,430	1,315
Total liabilities		8,452,131	7,059,936
Equity			
Called up share capital	20	39	39
Retained surplus	21	583,284	512,509
Total equity		583,323	512,548
Total liabilities and equity		9,035,454	7,572,484

The accompanying notes on pages 77 to 121 form an integral part of the financial statements.

On behalf of the Board,



Frank Allen
Chairperson
28 March 2025



Deirdre Collier
Chief Executive Officer
28 March 2025

Statement of Changes in Equity

	Share Capital €'000	Retained Earnings €'000	Total €'000
Balance as at 1 January 2024 as previously reported	39	512,509	512,548
Profit for the year	-	71,401	71,401
Actuarial loss on defined benefit pension schemes	-	(626)	(626)
Balance as at 31 December 2024	39	583,284	583,323

Statement of Cash Flows

	31 December 2024 €'000	31 December 2023 €'000
Cash flow from operating activities		
Profit for the financial year	71,401	74,144
Adjustments for:		
Depreciation	195	134
Pension actuarial costs	(626)	(419)
Net (increase)/decrease in loans and advances	(1,166,422)	(746,925)
Net (increase)/decrease in other creditors	(132)	(607)
Net (increase)/decrease in debtors	408	(21)
Net cash generated from operating activities	(1,095,175)	(673,694)
Cash flows from investing activities		
Purchases of property, plant and equipment	(261)	(197)
Net cash used in investing activities	(261)	(197)
Cash flows from financing activities		
Movement of borrowings	<u>1,391,791</u>	<u>518,008</u>
Net cash used in financing activities	1,391,791	518,008
Net increase (decrease) in cash and cash equivalents	296,355	(155,883)
Cash and cash equivalents at the beginning of the year	26,138	182,020
Cash and cash equivalents at the end of the year	322,493	26,138

Notes to the financial statements

1. Statutory Information

The Housing Finance Agency is a public limited company domiciled in Ireland, registration number 87513. The registered office is located at 46, St Stephen's Green, Dublin 2.

2. Compliance with Accounting Standards

The financial statements have been prepared in accordance with FRS102, the Financial Reporting Standard applicable in the UK and Ireland issued by the Financial Reporting Council. There were no material departures from this Standard.

3. Accounting Policies

Basis of preparation

The following accounting policies have been applied consistently in dealing with items that are considered material in relation to the HFA's financial statements.

The financial statements have been prepared under the historic cost convention, as modified by the revaluation of certain fixed assets.

The financial statements comply with generally accepted accounting practice in Ireland, which includes compliance with Irish law and FRS 102, the Financial Reporting Standard applicable in the UK and Ireland, issued by the Financial Reporting Council, as promulgated by Chartered Accountants Ireland. The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

Due to the nature of the HFA's business and the type of transactions it is engaged in, the Directors have adapted the Income Statement to suit the circumstances of the business in accordance with Section 3, Part II of the Companies Act 2014. The Directors have chosen to present their financial statements in a format which is used by similar financial institutions.

Access to Funding and Going Concern

The financial statements have been prepared on the going concern basis. In making their assessment of the HFA's ability to continue as a going concern the Board of Directors has taken into consideration the significant risks and uncertainties that may impact the HFA, in particular with regard to difficulties which may arise in relation to access to funding.

Notes to the financial statements (continued)

21% of the HFA's loans to customers have a variable rate structure and the HFA's funding acquired to provide these loans is structured in a similar manner. The HFA's main funder is the National Treasury Management Agency (NTMA) through the HFA's Guaranteed Notes (GN) programme. The GN programme is guaranteed by the Minister for Finance and facilitates issuance to a maximum maturity of thirty years from the date of issue.

In January 2016 a pricing arrangement with the NTMA was introduced whereby the interest rate for new issues (fixed or floating) is priced off the Irish Government bond yield curve for the respective maturity plus a margin agreed between both parties. At year-end 2024 the average maturity of HFA debt was 11.04 years (2023: 10.8 years). The NTMA had purchased €5.3bn in GNs at 31 December 2024 (2023: €4.13bn).

The Directors are satisfied that there is a sufficient range of funding options available, to allow the HFA to continue to provide ongoing financing to its customers and to continue its operations into the foreseeable future. The Directors are also assured that, given the average life of the HFA's borrowing is significantly longer than 18 months from the date of approval of these financial statements, it continues to be appropriate to prepare the financial statements on a going concern basis and that the HFA will continue in business for the foreseeable future.

Functional and presentation currency

These financial statements are presented in euro, which is the HFA's functional currency. Financial information presented in euro has been rounded to the nearest thousand, except where indicated.

Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

The judgements that have a significant effect on the financial statements and those with a risk of material adjustment in the next year are in the areas of impairment losses that may arise on loans and advances issued before 1986 and on loans to approved housing bodies.

Notes to the financial statements (continued)

Impairment loss on loans and advances

The HFA currently lends to local authorities, approved housing bodies, the Local Government Management Agency and higher education institutions. These borrowers have different credit risk profiles. A more detailed explanation regarding this can be found in Note 18(a).

The most significant judgement on which the financial statements have been prepared relates to the Directors' view of the credit risk of loans issued post 1986 to local authorities. In the context of (a) local authorities being statutory bodies under the Local Government Act, 2001 and other enactments; (b) their revenues or funds being security for the due payment to the HFA of all amounts due by local authorities (as set out in the agreement between each local authority and the HFA); (c) all loans advanced to local authorities are approved by the Minister for Housing, Local Government and Heritage; (d) the Board's understanding that central Government supports local authorities in meeting their obligations to the HFA; and (e) the HFA has not experienced any loan losses on its loans advanced to local authorities after 1986, the Board is of the opinion that, in substance, no credit risk arises, other than sovereign risk, on loans advanced to local authorities on or after 27 May 1986 and no loan loss provisions are recorded in respect of these loans.

Other areas of estimates which have a less significant impact on the HFA's financial reporting include impairment losses that may arise on loans issued before May 1986 and loans to AHBs. The HFA is liable for any credit losses that may arise on the €1.12 million (2023: €1.12 million) still due to the local authorities from the underlying borrowers on pre-May 1986 mortgages which are secured by the underlying mortgage property. A collective provision of €0.43 million has been recognised in respect of these accounts. Refer to Note 13 for further details. Direct lending to AHBs commenced in 2012 with the total balances as at 31 December 2024 of €5.31 billion (2023: €4.12 billion). No loans losses were incurred on loans to AHBs and therefore no loan loss allowances were made.

Employee benefits

The HFA operates a defined benefit pension scheme covering all employees who commenced employment prior to 2013. Twenty five employees, recruited since 1 January 2013, are included in the Single Public Service Pension Scheme, in line with Government policy. The market value of the assets and actuarial value of the liabilities of the HFA's pension scheme are evaluated annually. This involves Management, with the advice of an external actuary, making assumptions regarding the future as to price inflation, salary and pension increases, return on investments and employee mortality. There are acceptable ranges in which these estimates validly

Notes to the financial statements (continued)

fall. The impact on the results for the period and financial position could be materially different if alternative assumptions were used. Further details are disclosed in Note 17 to the financial statements.

The HFA's net deficit or surplus in respect of its defined benefit plan represents the shortfall or surplus, respectively, for the fair value of the plan assets over the present value of the future benefits owed to employees in return for their service in the current and prior periods. The discount rate used is the market yield on high quality corporate bonds at the year-end date that have maturity dates approximating to the terms of the HFA's obligations. The calculation is performed by a qualified independent actuary using the projected unit cost method. Actuarial gains and losses are taken directly to other comprehensive income in the year in which they are incurred. The impact on the Income Statement includes current service cost, past service cost, the interest cost of the plan liabilities and the expected return on plan assets.

Financial assets and liabilities

Recognition

The HFA initially recognises, loans and advances, deposits and debt securities issued on the date that they are originated.

Derecognition

The HFA derecognises a financial asset when the contractual rights to the cash flows from the asset expire or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the HFA is recognised as a separate asset or liability.

The HFA derecognises a financial liability when its contractual obligations are discharged, cancelled or expired. The HFA may enter into transactions whereby it transfers assets recognised on its Statement of Financial Position but retains both all risks and rewards of the transferred assets or a portion of them. If all or substantially all risks and rewards are retained, then the transferred assets are not derecognised from the Statement of Financial Position.

Financial Instruments

In previous financial years, the HFA opted-in to the requirements of FRS 26 'Financial Instruments: Recognition and Measurement'. FRS 26 implements the recognition, measurement and hedge accounting requirements of the International Standard IAS 39 'Financial Instruments: Recognition and

Notes to the financial statements (continued)

Measurement'. IAS 39 requires Financial Assets to be classified into one of four categories. The HFA classified its loans to local authorities, approved housing bodies and higher education institutions under the category of 'Loans and Receivables' in accordance with IAS 39.

Therefore, the HFA's loans were initially recognised at fair value of the consideration paid and were subsequently measured at amortised cost less provision for impairment. The HFA has considered the requirements of Sections 11 and 12 of FRS 102 in deciding on the accounting treatment for its loans to local authorities, approved housing bodies and higher education institutions.

Pre May 1986 loans

The HFA is liable for any credit losses that arise on pre-May 1986 mortgages that are secured by the underlying mortgage property. The HFA considers that these loans fall under the category of asset-backed securities in accordance with Paragraph 11.6 of FRS 102.

Post May 1986 local authority loans

The HFA notes the definitions included in Paragraphs 11.8 and 11.9 of FRS 102 and considers that its post-May 1986 loans to local authorities constitute debt instruments in which the contractual return to the Agency is a fixed amount and a positive fixed rate or a positive variable rate and therefore meet the definition of basic financial instruments.

Loans to approved housing bodies

The HFA commenced lending to approved housing bodies in 2012. The HFA considers that the loans advanced to AHBs meet the definition of complex financial instruments on the basis that the loans are secured by way of charges over the underlying properties.

Loans to higher education institutions

The HFA commenced lending to higher education institutions in 2019. The HFA considers that the loans advanced to HEIs meet the definition of complex financial instruments on the basis that the loans are secured by way of charges over the underlying properties.

Consideration of accounting treatment

Section 11 of FRS 102 requires that Basic Financial Instruments be measured initially at the transaction price and subsequently at amortised cost using the effective interest method. This method of accounting represents no difference from the method that the HFA previously applied and therefore would not give rise to any transition adjustments. Section 11 applies to the

Notes to the financial statements (continued)

most significant part of the Agency's loan books, dealing with the loans advanced to local authorities post May 1986. Section 12 of FRS 102 requires that complex financial instruments be initially recognised at fair value and subsequently should also be measured at fair value at the end of each reporting period. As noted above the loans that would fall into this category comprise the HFA's loans advanced to local authorities prior to May 1986 and its loans to approved housing bodies and higher education institutions. These loans collectively account for 63% of the HFA's total loan book.

The HFA considers that the nature of its business means that it meets the requirements that qualifies it for classification as a Public Benefit Entity under FRS 100. In accordance with Paragraph 11.1A of FRS 102, a Public Benefit Entity that makes or receives public benefit entity concessionary loans may refer to the paragraphs of Section 34 of the standard for the accounting requirements for these loans. In so far as it applies to the HFA, the standard defines such a loan as one that is below the prevailing market rate of interest, is not payable on demand and is for the purpose of furthering the objectives of the Public Benefit Entity. Section 34 of the standard allows the user to apply the recognition, measurement and disclosure requirements of Section 11 or Section 12. The HFA has therefore opted to apply the provisions of Section 34 and continues to account for its loans at fair value on initial measurement and at amortised cost. This applies the principles of Section 11 of the Standard covering Basic Financial Instruments.

In relation to all other Financial Instruments, the HFA is satisfied that these meet the definition of Basic Financial Instruments and therefore should continue to be accounted for in the same manner as in previous years. This does not give rise to any transition adjustments.

Offsetting

Financial assets and liabilities are set off and the net amount presented in the Statement of Financial Position only when the HFA has a legal right to set off the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. Income and expenses are presented on a net basis when the HFA has the intent and ability to set off the amounts.

Amortised cost measurement

The amortised cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment.

Notes to the financial statements (continued)

Fair value measurement

The determination of fair values of financial assets and financial liabilities is based on quoted market prices or dealer price quotations for financial instruments traded in active markets. Quoted market value for assets is based on bid prices, where available. For all other financial instruments fair value is determined by using valuation techniques. For securities where market quotes are not available, the HFA uses estimation techniques to determine fair value.

Estimation techniques used include discounted cash flows, internal models that utilise observable market data or comparisons with other securities that are substantially the same.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and that the HFA does not intend to sell immediately or in the near term.

Loans and receivables are initially measured at fair value of the consideration paid and are subsequently held at amortised cost less provision for impairment.

Identification and measurement of impairment

At each year-end date the HFA assesses whether there is objective evidence that financial assets not carried at fair value through profit or loss are impaired.

Financial assets are impaired when objective evidence demonstrates that a loss event has occurred after the initial recognition of the asset and that the loss event has an impact on the future cash flows of the asset that can be estimated reliably.

The HFA considers evidence of impairment at both a specific asset and collective level. All individually significant financial assets are assessed for specific impairment. All significant assets found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet reported. Assets that are not individually significant are then collectively assessed for impairment by grouping together financial assets (carried at amortised cost) with similar risk characteristics. Impairment losses on assets carried at amortised cost are measured as the difference between the carrying amount of the financial assets and the present value of estimated cash flows. Losses are recognised in the Income Statement and reflected in an allowance account against loans and advances.

Notes to the financial statements (continued)

All loans that are assessed for renegotiation are tested for impairment and where a loan is deemed to be impaired, an appropriate provision is raised to cover the difference between the loan's carrying value and the present value of estimated future cash flows. Where the terms on a renegotiated loan which has been subject to an impairment provision differ substantially from the original loan terms either in a quantitative or qualitative analysis, the original loan is derecognised and a new loan is recognised at fair value.

Any difference between the carrying amount of the loan and the fair value of the new renegotiated loan terms is recognised in the income statement.

Interest on the impaired asset continues to be recognised and a write-off is made when all or part of a loan is deemed uncollectible or forgiven. Write-offs are charged against previously established provisions for impairment or directly to the Income Statement.

Cash and cash equivalents

Cash and cash equivalents consist of cash at bank and on hand and short-term investments which are readily convertible to a known amount of cash and subject to an insignificant risk of change in value.

Property, plant and equipment

Depreciation is calculated allocate the cost of tangible fixed assets over their expected useful lives, as follows:

Computer assets Straight line over 3 years

Other assets Straight line over 5 years

Estimates of expected useful life are reviewed at the end of each accounting period. Where necessary a provision is also made for any impairment of tangible fixed assets. The carrying amount of the tangible fixed assets is reviewed at each reporting date to determine whether there is any indication of impairment.

If such an indication exists then the asset is tested for impairment by comparing the carrying amount to the recoverable amount, which is the higher of the amount that can be obtained from selling the asset less costs or its value in use. Impairment losses are recognised in Other Comprehensive Income.

Interest receivable and payable

Interest receivable and payable on financial instruments classified as loans and advances and financial liabilities at amortised cost. This calculation takes into account interest and commissions, paid or received, that are integral to the yield as well as incremental transaction costs or, where appropriate, a shorter period to the net carrying amount of the financial asset or financial liability at initial recognition.

Notes to the financial statements (continued)

Foreign currencies

Transactions denominated in currencies other than euro are recorded at the rates ruling at the date of those transactions. Monetary assets and liabilities in foreign currencies are translated at the rates ruling at the year-end date. The exchange differences are dealt within the Income Statement.

Segment reporting

The HFA has only one type of operation carried out in only one country. Management reviews the operations of HFA as a whole and does not distinguish operating segments. As a result, operations are reported in these financial statements as a single segment.

Operating lease

Operating lease costs are disclosed separately in the Income Statement on an accruals basis over the period of the lease using the straight-line method. Operating lease incentives are recognised in the statement of financial position and released on a straight-line basis over the period to the first review to market rate contained within the lease.

Inflationary increases in lease rentals are expensed as incurred.

Finance income

Finance income comprises interest income on funds invested. Interest income is recognised as it accrues.

4. Status of the HFA and related party transactions

Housing Finance Agency plc. is a public company limited by shares promoted by the Minister for Housing, Local Government and Heritage under the terms of the Housing Finance Agency Act, 1981. The issued share capital is beneficially owned by the Minister for Public Expenditure, NDP Delivery and Reform. The HFA was formed as a private limited company on 8 February 1982 and on 13 January 1983 became a public limited company. In the normal course of business, the HFA is funded by the NTMA and local authorities, which are also Government bodies and are as such considered to be related parties. Details of amounts outstanding under the Guaranteed Note programme which are provided by the NTMA and local authorities, at 31 December 2024, can be found in Note 15. The interest expense relating to these facilities for the financial year was €92.45 million (2023: €58.76 million) for the NTMA and €27.6 million (2023: €21.63 million) for local authorities and €15.73 million for others (2023: €13.02 million).

Notes to the financial statements (continued)

In the normal course of business, the HFA loans funds to local authorities which are Government bodies and are, in this respect, also considered to be related parties. Interest earned on these advances is detailed in Note 5 to the financial statements.

The management/administration of the HFA's pension scheme (see Note 17) is performed by Irish Life Corporate Business, effective from 1 January 2012.

In the normal course of business, the HFA deposits funds with the NTMA. Interest received on these positive balances during 2024 was €0.27 million (2023: €8.44 million) and amounts on deposit and invested with the NTMA as at 31 December 2024 were €nil million (2023: €25.02 million).

Transactions with key Management personnel

Key Management personnel include those personnel that have authority or responsibility for controlling the activities of the HFA and include the Board of Directors and the Chief Executive Officer, Head of Lending, Head of Risk and Compliance, Head of Finance, and the Head of ICT. In addition to their salaries, the HFA also contributed to a post-employment defined benefit plan on behalf of one key Management member, who retired in June 2024. Total key Management personnel compensation comprised:

	31 December 2024 €'000	31 December 2023 €'000
Salaries*	340	394
Directors' fees	71	61
Pension contributions	87	79
Total	498	534

*Salaries include Chief Executive Officer's remuneration as detailed in Note 8, in addition to other salaried key senior Management personnel (i.e., Head of Lending, Head of Risk and Compliance, Head of Finance and the Head of ICT). At the end of 2024, five key Management members are in the Single Public Service Pension Scheme.

Taxation status of the HFA

Under Section 218 of the Taxes Consolidation Act 1997, income earned by HFA from the business of making loans and advances under Section 5 of the Housing Finance Agency Act, 1981, is exempt from Corporation Tax. Income chargeable under Case III, Schedule D is also exempt from Corporation Tax.

Under Section 172(A) of the Taxes Consolidation Act 1999, the HFA is entitled to pay dividends gross of Dividend Withholding Tax.

Notes to the financial statements (continued)

5. Interest income - continuing activities

	31 December 2024 €'000	31 December 2023 €'000
Interest on advances to local authorities		
Post 27 May 1986	83,881	71,898
Pre 27 May 1986	34	27
Interest on advances to approved housing bodies	124,740	88,068
Interest on advances to higher education institutions	2,154	2,161
Total interest income	210,809	162,154

Total interest income on financial assets not carried at fair value through the Income Statement amounted to gross interest of €213.44 million (2023: €164.07 million).

6. Interest expense - continuing activities

	31 December 2024 €'000	31 December 2023 €'000
Loan costs		
Interest payable on Guaranteed Notes	120,124	80,428
Interest payable on EIB and CEB facilities	15,663	12,981
Interest payable on AIB account	1	5
Total interest expenses	135,788	93,414

Notes to the financial statements (continued)

7. Non-interest expenditure

	31 December 2024 €'000	31 December 2023 €'000
Operating lease (Note 8)	197	197
General expenditure, Directors emoluments and Employee	3,271	2,492
Depreciation (Note 12)	195	134
Total non-interest expenditure	3,663	2,823

8. Administration expenditure

Operating lease commitments

The HFA has commitments under an operating lease (office premises) to make total payments as follows:

Buildings	€'000
Not later than one year	197
After one year less than five years	788
After five years	1,037

Notes to the financial statements (continued)

Administration expenditure

Administration expenditure has been arrived at after charging:

Year ended	31 December 2024 €'000	31 December 2023 €'000
Auditor's remuneration		
Audit of financial statements	39	34
Total Auditor's remuneration	39	34
Other assurance services (internal audit)	53	25
General expenses	1,056	737
Directors emoluments		
Fees – Chairperson	12	12
Fees – other Directors	59	49
Total Director emoluments	71	61
Employee costs (excluding Directors)		
Chief Executive Officer's remuneration	150	133
Other salaries	1,429	1,104
Pension contributions	87	77
Social Welfare costs	164	122
Pension service costs - present	222	199
Total employee costs	2,052	1,425
Total Administration Expenses	3,271	2,492

Total salaries for key Management were €340,000 (2023: €394,000). The balance of €1,239,000 (2023: €843,000) was for administration staff. PAYE/PRSI and VAT at the year-end were €73,894 (2023: €58,145). The average number of employees during the year was twenty four (2023: nineteen,) including the Executive Director.

Notes to the financial statements (continued)

9. Other Administration Expenditure

	31 December 2024 €'000	31 December 2023 €'000
Other Administration Expenditure	229	212
Total Other Administration Expenditure	229	212

Other Administration Expenditure relates to the HFA Social Investment Fund. The HFA contributes towards the social and economic fabric of communities through sponsorship of projects submitted for approval by customers. The aim of the Social Investment Fund is to enable the HFA to support suitable local projects that complement social housing and enable community development.

10. Finance income/(expense)

	31 December 2024 €'000	31 December 2023 €'000
Net Interest income/(expense) on defined benefit pension scheme liabilities	(1)	-
Investment income from NTMA	273	8,436
Net Interest income/(expense) on defined benefit pension scheme	-	3
Net finance income / (expense)	272	8,439

11. Cash and cash equivalents

Year ended	31 December 2024 €'000	31 December 2023 €'000
Cash at bank and in hand	322,493	1,122
Amounts held on short term deposits	-	25,016
Total cash equivalents	322,493	26,138

Notes to the financial statements (continued)

12. Property, plant and equipment

	31 December 2024 €'000	31 December 2023 €'000
Cost or valuation		
At 1 January 2024	692	507
Additions	261	191
Disposals	(70)	(6)
At end of year	883	692
Accumulated depreciation		
At beginning of year	383	255
Charged for year	195	134
Disposals	(70)	(6)
At end of year	508	383
Net book value		
31 December 2024	375	309
31 December 2023	309	252

	31 December 2024 €'000	31 December 2023 €'000
Loans advanced to local authorities	3,159,191	3,185,355
Loans advanced to approved housing bodies (AHBs)	5,313,970	4,120,650
Loans advanced to higher education institutions (HEIs)	117,845	122,135
Total balances due on advances	8,591,006	7,428,140
Less: Collective provision	(425)	(425)
Total loans and advances to local authorities, AHBs and HEIs	8,590,581	7,427,715
Due from local authorities	119,289	115,293
Total loans due	8,709,870	7,543,008

Notes to the financial statements (continued)

13. Loans and advances to local authorities, approved housing bodies and higher education institutions

The HFA is liable for any credit losses that may arise on the €1.12 million (2023: €1.12 million) still due to the local authorities from the underlying borrowers on pre-May 1986 mortgages which are secured by the underlying mortgage property. A provision of €0.43 million (2023: €0.43 million) has been recognised in respect of these loans. Refer to Note 18(a) for further details. This provision is based on the HFA's best estimate of the present value of estimated future cash flows compared to the carrying value of the loans as at 31 December 2024 and subject to changes in the underlying assumptions and may increase or decrease in future years.

In the context of (a) local authorities being statutory bodies under the Local Government Act, 2001 and other enactments; (b) their revenues or funds being security for the due payment to the HFA of all amounts due by local authorities (as set out in the agreement between each local authority and the HFA); (c) all loans advanced to local authorities are approved by the Minister for Housing, Local Government and Heritage; (d) the Board's understanding that central Government supports local authorities in meeting their obligations to the HFA; and (e) the HFA has not experienced any loan losses on its loans advanced to local authorities after 1986, the Board is of the opinion that, in substance, no credit risk arises, other than sovereign risk, on loans advanced to local authorities on or after 27 May 1986 and no loan loss provisions are recorded in respect of these loans. Please refer to Note 18(a) for further details.

Direct lending to approved housing bodies commenced in 2012 and losses are recognised on these loans to the extent that losses are incurred. No such losses arose in 2024 and no provision is considered necessary in respect of these advances as at 31 December 2024.

Lending to higher education institutions commenced in 2019 and losses are recognised on these loans to the extent that losses are incurred. No such losses arose in 2024 and no provision is considered necessary in respect of these advances as at 31 December 2024.

14. Other debtors and receivables

	31 December 2024 €'000	31 December 2023 €'000
Amounts due to MARP Fund	2,532	2,972
Deposit interest receivable	-	5
Pension related receivables	184	52
Total other debtors and receivables	2,716	3,029

Notes to the financial statements (continued)

15. Debt securities in issue

Guaranteed Notes	31 December 2024 €'000	31 December 2023 €'000
GN Local authorities	1,866,640	1,685,812
National Treasury Management Agency	5,300,000	4,130,000
GN HEIs	-	49,230
Local authority MARP fund	34,482	28,507
GN HEI Security	3,298	3,232
GN LA Fixed rate	45,048	45,048
Total Guaranteed Notes advanced	7,249,468	5,941,829
Interest payable on Guaranteed Notes	51,010	41,018
Total debt securities issued	7,300,478	5,982,847

The Guaranteed Notes are fully guaranteed by the Minister for Finance.

16. Bank loans

Bank loans	31 December 2024 €'000	31 December 2023 €'000
Between one and two years	34,753	40,184
Between two and five years	0	0
After more than five years	1,110,106	1,030,868
	1,144,859	1,071,052
Interest payable	5,067	4,713
Total Bank loans	1,149,926	1,075,765

The bank loans payable are fully guaranteed by the Minister for Finance, excepting one facility for the purpose of unguaranteed lending for water, waste and environmental projects, totalling just under €2 million with the Council of Europe Development Bank. The maturity of the amounts falling due after more than one year is further split out in Note 18(c).

Notes to the financial statements (continued)

17. Pension scheme

The HFA operates a defined benefit pension scheme covering all permanent employees recruited up to 31 December 2012. This pension scheme is internally funded. Employees recruited on or after 1 January 2013 are members of the Single Public Service Pension Scheme (SPSPS). This pension scheme is internally funded.

The latest full actuarial valuation was carried out at 6 September 2023 using the Projected Unit Cost Method.

At 31 December 2024, the market value of the fund's assets was €5.08 million (2023: €5.24 million). The Actuarial Report is available for inspection by members of the scheme.

For the purposes of FRS 102 Section 28, Employee Benefits, the latest valuations have been updated to 31 December 2024 by a qualified independent actuary using the projected unit cost method.

The principal actuarial assumptions used were as follows:

	31 December 2024 %	31 December 2023 %	31 December 2022 %
Rate of increase in salaries	3.00	3.60	4.25
Rate of increase in pensions payments	2.00	2.00	2.00
Discount rate	3.60	3.35	3.70
Inflation assumption	2.00	2.10	2.75
Life expectancies			
Post retirement – male age 65	23.4 years	23.3 years	23.6 years
Post retirement – female age 65	25.6 years	25.3 years	25.5 years
Post retirement – male age 62.5	25.9 years	25.3 years	26.0 years
Post retirement – female age 62.5	28.1 years	27.5 years	28.0 years

Notes to the financial statements (continued)

17. Pension scheme (continued)

The (deficit)/surplus of the scheme may be analysed as follows:

	31 December 2024 €'000	31 December 2023 €'000	31 December 2022 €'000	31 December 2021 €'000	31 December 2020 €'000
Pension assets	5,079	5,239	4,069	5,803	5,661
Pension liabilities	(5,376)	(5,248)	(4,406)	(6,439)	(7,264)
Liability	(297)	(9)	(337)	(636)	(1,603)

Based on these assumptions, the following table sets out the market value of the assets of the defined benefit scheme together with the most recent valuation of the scheme liabilities updated for movements in the financial assumptions:

	31 December 2024 €'000	31 December 2023 €'000	31 December 2022 €'000
Equities	-	-	-
Bonds	5,228	5,239	4,069
Property	-	-	-
Cash and other assets	-	-	-
Total market value of pension scheme assets	(149)	5,239	4,069
Present value of pension scheme liabilities	5,079	(5,248)	(4,406)
Total net pension (liability) recognised in the Statement of financial position	(297)	(9)	(337)

Interest income on plan assets for 2024 has been calculated based on the discount rate for the prior year which stood at 3.35%. For the year ending 31 December 2025, interest income on plan assets will be based on a discount rate of 3.60%.

Notes to the financial statements (continued)

17. Pension scheme (continued)

Changes in the present value of the defined benefit obligation are as follows:

	31 December 2024 €'000	31 December 2023 €'000
Present value of defined benefit obligations at 1 January	(5,248)	(4,406)
Current and past service cost	(222)	(199)
Interest cost	(175)	(162)
Contributions by employees	(17)	(21)
Actuarial (loss)/gain and remeasurements	(77)	(634)
Benefits paid	363	174
Present Value of defined benefit obligations at 31 December	(5,376)	(5,248)

Changes in the fair value of plan assets are as follows:

	31 December 2024 €'000	31 December 2023 €'000
Fair value of plan assets as at 1 January	5,239	4,069
Interest income on plan assets	174	165
Contributions by employer	561	942
Contributions by employees	17	21
Actuarial (loss)/gain	(549)	216
Benefits paid	(363)	(174)
Present value of defined benefit obligations at 31 December	5,079	5,239

Notes to the financial statements (continued)

17. Pension scheme (continued)

History of actuarial gains and losses:

	31 December 2024 €'000	31 December 2023 €'000	31 December 2022 €'000	31 December 2021 €'000	31 December 2020 €'000
Difference between expected and actual return on assets	(549)	216	(2,011)	(66)	171
Expressed as a percentage of scheme assets	10.8%	4.12%	49.4%	1.1%	3.0%
Actuarial gains and (losses) on scheme liabilities	(77)	(634)	2,390	1,086	(1,013)
Expressed as a percentage of scheme liabilities	1.43%	12.1%	54.3%	16.9%	13.9%
Total actuarial gains and (losses)	(626)	(419)	379	1,020	(842)
Expressed as a percentage of scheme liabilities	11.64%	7.98%	8.6%	15.8%	11.6%

Cumulative actuarial gains and losses recognised in the Statement of Comprehensive Income:

	31 December 2024 €'000	31 December 2023 €'000
Cumulative amount at 1 January	(2,947)	(2,528)
Recognised during the period	(626)	(419)
Cumulative amount at 31 December	(3,573)	(2,947)

Notes to the financial statements (continued)

17. Pension scheme (continued)

The amounts related to the defined benefit scheme that were recognised in the Income Statement and Other Comprehensive Income are presented in Note 8.

Expected Employer contributions:

	2025 €'000	2024 €'000
Expected Employer contributions	451	438

18. Financial risk management

Introduction and overview

The HFA has potential exposure to the following risks from its use of financial instruments:

- (a) credit risk
- (b) liquidity risk
- (c) market risks (including interest rate, inflation and currency). This note presents information about the HFA's exposure to each of the above risks and the HFA's objectives, policies and procedures for measuring and managing risk.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the HFA's Risk Management Framework. The HFA's risk management policies are established to identify and analyse the risks faced by the HFA, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and products and services offered. The HFA's Policies and Procedures manual includes policies on the use of derivative financial instruments. These support and ensure that HFA meet its requirements under the Specification and Requirements of the Minister for Finance issued under the terms of the Financial Transactions of Certain Companies and Other Bodies Act, 1992 and take into account best practice on the use of derivative treasury instruments. The principal objective of using derivative financial instruments is to match or eliminate risk from potential movements in foreign exchange rates in the HFA's assets and liabilities. The HFA does not currently use derivatives.

Notes to the financial statements (continued)

18. Financial risk management (continued)

While the tables overleaf set out the purpose for which lending has been provided to local authorities, the HFA considers it primarily has two categories of loans to Local Authorities, namely, those approved pre and post 27 May 1986 and a separate category for loans to AHBs and HEIs. These categories have different credit risk profiles.

(a) credit risk

Credit risk is the risk of financial loss to the HFA if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the HFA's loans and advances to its customers, Irish local authorities, approved housing bodies and higher education institutions. The HFA's maximum exposure to credit risk is set out in the table below.

Financial assets	31 December 2024 €'000	31 December 2023 €'000
Loans advanced to local authorities	3,159,191	3,185,355
Loans advanced to approved housing bodies	5,313,970	4,120,650
Loans to higher education institutions	117,845	122,135
Total loans advanced	8,591,006	7,428,140
Less collective provision-local authorities	(425)	(425)
	8,590,581	7,427,715
Due from local authorities	119,289	115,293
Cash at bank and in hand	322,493	26,138
Due from other debtors and receivables	2,716	3,029
	9,035,079	7,572,175

The HFA is currently permitted to advance money to the following:

- local authorities, the Local Government Management Agency and the voluntary housing sector to be used by them for any purpose authorised under the Housing Acts 1966 to 2009;
- local authorities for capital projects authorised under Section 17 of the Housing (Miscellaneous Provisions) Act, 2002;

Notes to the financial statements (continued)

18. Financial risk management (continued)

- higher education institutions for the provision or management of student accommodation, including the acquisition of land for this purpose; and,
- the Land Development Agency and the Housing Agency.

Balances due from local authorities (LAs), AHBs and HEIs are categorised as follows:

Balance due on advances	31 December 2024 €'000	31 December 2023 €'000
LA Mortgage related loans*	1,062,886	1,086,866
LA Capital subsidy and rental	628,963	675,466
LA Bridging finance	341,780	318,544
LA Land acquisition	222,140	223,792
LA Other non-mortgage housing related loans	902,996	880,687
Advances due from local authorities	3,158,765	3,185,355
Advances due from approved housing bodies	5,313,971	4,120,650
Advances due from higher education institutions	117,845	122,135
Overall total balances due on advances	8,590,581	7,428,140

* Loans issued pre-1986 of €1.15m are included in the Mortgage related loans (2023: €1.15m).

Policies and Procedures for managing credit risk

The HFA is liable for any credit losses that may arise on pre-May 1986 mortgages which are secured by the underlying mortgage property and mortgage protection insurance. The local authorities hold collateral in the form of mortgage interests over the property and individual borrowers hold mortgage protection insurance. Only in the event of collateral not being sufficient to discharge the debt is the HFA liable for any impairment losses which may arise.

Notes to the financial statements (continued)

18. Financial risk management (continued)

On post May 1986 loans, the HFA has security, following the discharging of priority charges and payments, over the local authority's revenues or funds for the payment to the HFA of all amounts due. With regard to loans to AHBs the HFA is permitted under Section 17 of the Housing Miscellaneous Provision Act 2002 to lend to AHBs and under section 51 of the Planning and Development (Housing) and Residential Tenancies Act 2016 to lend to higher education institutions and the Housing Agency.

Under the Social Housing Leasing Initiative, the Department of Housing, Local Government and Heritage through local authorities leases suitable housing units from AHBs which are rented to social housing tenants nominated by local authorities. Properties are either bought or built by AHBs and financed by loan finance raised by the AHB (from the HFA or the private sector). Income received by the AHBs from a lease, taken out by the DHLGH for a period of up to 30 years, will fund the repayment of the HFA's loan.

The HFA has a credit policy regarding lending to AHBs which was approved by the Board in June 2013 and updated in December 2024. The Credit Committee maintains credit risk within Board limits and reports on the credit worthiness of AHBs.

Impaired and past due loans

Fair value is not assessed except where a loan is individually assessed past due or impaired. The definition of past due and impaired is as follows:

Analysis of loans to local authorities, approved housing bodies and higher education institutions	31 December 2024 €'000	31 December 2023 €'000
Local authority Pre 1986 loans	1,145	1,145
Local authority Post 1986 loans	3,158,045	3,184,210
Loans to approved housing bodies	5,313,971	4,120,650
Loans to higher education institutions	117,845	122,135
Total LA/AHB and HEI loans	8,591,006	7,428,140
Collective Provision		
Pre 1986 loans	(425)	(425)
Other loans	-	-
Total loans	8,590,581	7,427,715

Notes to the financial statements (continued)

18. Financial risk management (continued)

Impaired loans are loans for which the HFA determines that it is probable that it will be unable to collect all principal and interest due according to the contractual terms of the loan. Loans where contractual interest or principal payments are past due are defined as past due. The HFA had no loans and advances which are past due at 31 December 2024 (2023: nil). Details of loans that were subject to renegotiation in the year are in the Renegotiated Loans section of this note.

In substance, no material credit risk other than sovereign risk, arises on loans advanced to local authorities on or after 27 May 1986 and no loan loss provisions are recorded in respect of these loans. Local authorities are bodies constituted under statute. All loans advanced to local authorities are approved by the Minister for Housing, Local Government and Heritage. It is the Board's belief that, in this context, credit risk does not arise.

Loan losses are recognised on direct lending to approved housing bodies and higher education institutions to the extent that losses are incurred. No such losses arose in 2024.

The Board of Directors is responsible for the oversight of the HFA's credit risk including:

- formulating credit policies in conjunction with Management, covering collateral requirements, documentary and legal procedures within the confines of statutory requirements;
- establishing the authorisation structure and approval for new counterparties (non-local authorities) and lending concentrations thereto;
- reviewing compliance with internal policies and procedures;
- monitoring of loans policy disclosure;
- approving any loans advanced to AHBs under the terms of Section 17 of the Housing (Miscellaneous Provisions) Act 2002 and to ensure that all loans advanced are in accordance with the HFA's Credit Policy;
- considering and approving the creditworthiness of each AHB prior to a Master Loan Agreement being executed by the HFA;
- approving any loans advanced to HEIs under the terms of Section 51 of the Planning and Development (Housing) and Residential Tenancies Act 2016;
- ensuring that it has obtained all relevant documentation pertaining to the credit application; and,
- maintaining credit risk within Board approved limits.

Notes to the financial statements (continued)

18. Financial risk management (continued)

Mortgage Arrears Resolution Process (MARP)

In August 2012, the Department of Housing, Local Government and Heritage provided assistance to local authorities in dealing with their borrowers' mortgage arrears, by issuing guidelines detailing the proposed Mortgage Arrears Resolution Process (MARP). These guidelines reflect the Central Bank's Code of Conduct on Mortgage Arrears and have the intention of standardising an approach to arrears among the Local Authorities Sector. The MARP process consists of a five step process mentioned in the DHLGH's guidelines.

In order to offset future losses and to allay impending financial constraints on local authority revenue streams, the DHLGH established a MARP premium to begin to accumulate funds. MARP has been operational for local authorities since 1 October 2012 through the application of a premium to all variable mortgage related local authority loan accounts.

A MARP premium of 0.80% on variable rate mortgage loans (from 1 January 2014) and a rate of 0.25% is charged on Rebuilding Ireland mortgage loans (for loan applications from 1 January 2018 to 14 January 2020). Newer loans since 2020 are charged different rates ranging from 0.50% to 0.995%. This is collected on the MARP Adjudicating Panel's behalf by the HFA half-yearly and retained in a separate interest-bearing account with the intention of being drawn down, as necessary, when given the proper authorisation. The MARP fund purchases a Guaranteed Note for the amounts collected on their behalf.

The County and City Management Association (CCMA) have established an Adjudicating Panel to operate the MARP fund and to assess applications for assistance from local authorities under the Scheme. This Panel consists of a County Manager, Heads of Finance and an Executive Manager of the Housing Management Services.

Applications for assistance from the MARP Premium Fund are made on an ongoing basis by local authorities. Decisions to approve/partially approve applications are notified to the HFA, who will then arrange for payment of the approved amount from the MARP Fund to the applicant local authority, according to instructions received from the Panel.

It should be emphasised that the HFA's only involvement in the MARP Fund is to collect the MARP premium on the local authorities' behalf and to pay these funds as requested by the Adjudicating Panel, as per the instructions mentioned above.

Notes to the financial statements (continued)

18. Financial risk management (continued)

Mortgage Arrears Resolution Process (MARP)

	€'000
Not later than one year	85,816
After one year less than five years	(52,204)
Interest Earned	870
Balance at 31 December 2024	34,482

The above table represents cash movements since the inception of the fund.

Renegotiated Loans

Loans with renegotiated terms are loans that have been restructured due to budgetary circumstances and where the HFA has made concessions that it would not otherwise consider.

The HFA endeavours to work with the local authorities to develop appropriate loan structures for them in order to better match their financial circumstances. In this regard, the HFA may extend loan terms, offer deferred interest periods or offer other renegotiations as appropriate.

During 2024, the HFA renegotiated €20.5 million (2023: €8.3 million) of non-mortgage related loans and €nil (2023: €nil) of housing related loans.

These renegotiations have taken place in the context of €3.16 billion of loans advanced to local authorities as at 31 December 2024 and thus represents renegotiation activity of circa 0.65% in 2024 (2023: 0.26%).

Renegotiated non-mortgage related and mortgage related loans were given interest only loans and mortgage related loans were given payment breaks for three to six monthly terms, that did not result in impairment or derecognition of the original loan assets as it did not represent a significant modification of terms. The HFA ceases to consider these loans as renegotiated once one year of up-to-date scheduled repayments has elapsed post renegotiation. In this regard, the HFA considers €20.5 million of loans (2023: €8.3 million) to be renegotiated as at 31 December 2024 with €0.31 million (2023: €0.11 million) of interest income recognised on these assets.

Notes to the financial statements (continued)

18. Financial risk management (continued)

31 December 2024	Number of loans	Carrying value €'000
Opening renegotiated loans	2	8,304
Renegotiated during the year	6	20,549
Repaid during the year	-	-
Less loans no longer considered renegotiated	(2)	(8,304)
Closing renegotiated loans	6	20,549

31 December 2023	Number of loans	Carrying value €'000
Opening renegotiated loans	13	26,434
Renegotiated during the year	2	8,304
Repaid during the year	-	-
Less loans no longer considered renegotiated	(13)	(26,434)
Closing renegotiated loans	2	8,304

As at year ended 31 December 2024, no land acquisition loans were converted upon maturity to annuity loans (2023: €nil) repayable over a period of up to 30 years. There was no interest accrued on loans converted upon maturity at 31 December 2024 (2023: €nil).

Concentrations

All loans and advances to local authorities are approved by the Minister for Housing, Local Government and Heritage.

The HFA's credit risk also consists of its exposure to institutions, primarily the NTMA, with which it holds short term investments. An investment and counterparty exposure policy are periodically approved by the Board. Investments arise at present only in the context of day-to-day liquidity management.

At 31 December 2024 the HFA had investments valued at €nil million (2023: €25 million) in Exchequer Notes with the NTMA.

Notes to the financial statements (continued)

18. Financial risk management (continued)

The nature of HFA's activities and end customers means that there will always be a high degree of customer concentration risk among larger AHBs. As at 31 December 2024 the top 5 HFA customers represented 61% of the total drawn loan book. To mitigate its exposure to singular AHBs the HFA has set limits so that no individual AHB represents more than 40% of its Total Assets. At 31 December 2024, the largest borrower represented 29.88% of the HFA's Total Assets (2023: 26.41%). Aggregate net advances to the AHB sector cannot exceed 70% of the HFA's. At 31 December 2024, its Aggregate net advances exposure was 58.81% of the HFA's Total Assets (2023: 54.42%). The Executive and the Board of the HFA keep this concentration risk under review on a monthly basis and adapt its requirements in accordance with the future risk profile of its customers.

Allied Irish Bank plc. is currently the main counterparty for cash, with a surplus of €322.49 million held at 31 December 2024 (2023: €1.12 million). At 31 December 2024, the Standard and Poor's rating for Allied Irish Bank plc. was BBB (2023: BBB-).

(b) Liquidity risk

Liquidity risk is the risk that the HFA will encounter difficulty in meeting its obligations from its financial liabilities. The HFA has arranged €5.30 billion (2023: €4.13 billion) fixed rate deals with the NTMA.

The HFA has agreed fixed rate borrowings with the NTMA worth €875 million, with maturity dates between 2026 and 2031 and €4.425 billion worth of borrowings with the NTMA with maturity dates between 2032 and 2052. The HFA has also agreed fixed rate borrowings with the EIB and CEB worth €1,145m with maturity dates between 2028 and 2049. The HFA has €45m of agreed fixed rate borrowings with local authorities with maturity dates in 2025. Fixed rate lending and fixed rate debt are well matched.

The GNs are guaranteed by the Minister for Finance of Ireland. Loans and receivables have an average original loan term of 27.6 years (2023: 27 years). This represents a significant mismatch in the maturity profile, however given the assurances received from the NTMA concerning the continuity and quantum of funding, the Board considers that sufficient resources are available to cover any liquidity risk that may arise over the next 24 months. The HFA also holds GNs with local authorities (see Note 15).

In managing liquidity risk, HFA Management hold regular meetings with the NTMA, the Banks, AHBs, HEIs and other market participants to assess future loan demand and funding requirements, agree access to funding sources, explore alternative funding sources and structures, negotiate terms and conditions and obtain the necessary funding commitments. In this regard the HFA's funding requirements for 2024 have been included as part of the overall planning process for State funding. The HFA has access to short term funding from the NTMA.

Notes to the financial statements (continued)

18. Financial risk management (continued)

31 December 2024	Carrying amount €'000	Gross nominal outflow €'000	Less than 1 month €'000	1-3 months €'000	3 months to 1 year €'000	1-5 years €'000	More than 5 years €'000
2016 NTMA 10 Year Fixed Rate	(75,000)	(76,210)	(406)	-	(400)	(75,404)	-
2017 NTMA €200m Fixed Rate	(200,000)	(227,145)	-	(921)	(952)	(46,952)	(178,320)
2018 NTMA €130m Fixed Rate	(130,000)	(154,547)	-	-	(2,058)	(47,769)	(104,720)
2019 NTMA €210m Fixed Rate	(210,000)	(254,114)	-	-	(3,226)	(72,783)	(178,105)
2020 NTMA €400m Fixed Rate	(400,000)	(423,253)	-	(1,642)	-	(6,600)	(415,011)
2021 NTMA €650m Fixed Rate	(650,000)	(724,775)	-	-	(4,118)	(16,481)	(704,176)
2022 NTMA €1,345m Fixed Rate	(1,345,000)	(1,725,274)	-	(2,415)	(21,974)	(455,379)	(1,245,506)
2023 NTMA €1,120m Fixed Rate	(1,120,000)	(1,528,790)	(2,498)	(14,643)	(17,852)	(236,941)	(1,256,856)
2024 NTMA €1,170m Fixed Rate	(1,170,000)	(1,772,262)	-	(6,198)	(26,479)	(316,607)	(1,422,978)
Guaranteed Notes facility (LA)	(1,866,640)	(1,892,496)	(756,005)	(546,552)	(584,328)	(5,611)	-
GN LA Fixed rate	(45,048)	(45,447)	(45,447)				
Guaranteed notes facility (Held by HEIs)	-	-	-	-	-	-	-
Guaranteed Notes Facility (HEI Sec)	(3,298)	(3,331)	(177)	(3,154)	-	-	-
Guaranteed Notes facility (MARP)	(34,482)	(34,502)	(34,502)	-	-	-	-
EIB and CEB loans	(1,144,859)	(1,230,281)	-	-	(37,583)	(200,548)	(992,150)
Total	(8,394,327)	(10,092,427)	(839,035)	(575,525)	(698,970)	(1,481,075)	(6,497,822)

Notes to the financial statements (continued)

18. Financial risk management (continued)

31 December 2023	Carrying amount €'000	Gross nominal outflow €'000	Less than 1 month €'000	1-3 months €'000	3 months to 1 year €'000	1-5 years €'000	More than 5 years €'000
2016 NTMA 10 Year Fixed Rate	(75,000)	(77,018)	(406)	-	(402)	(76,210)	-
2017 NTMA €200m Fixed Rate	(200,000)	(229,038)	-	936	(957)	(47,170)	(179,975)
2018 NTMA €130m Fixed Rate	(130,000)	(156,627)	-	-	(2,080)	(48,247)	(106,300)
2019 NTMA €210m Fixed Rate	(210,000)	(257,323)	-	-	(3,209)	(12,809)	(241,305)
2020 NTMA €400m Fixed Rate	(400,000)	(424,909)	-	(1,656)	-	(6,582)	(416,671)
2021 NTMA €650m Fixed Rate	(650,000)	(728,906)	-	-	(4,130)	(16,487)	(708,289)
2022 NTMA €1,345m Fixed Rate	(1,345,000)	(1,749,716)	-	(2,408)	(22,034)	(196,536)	(1,528,738)
2023 NTMA €1,120m Fixed Rate	(1,120,000)	(1,563,837)	(2,519)	(14,579)	(17,950)	(239,787)	(1,289,002)
Guaranteed Notes facility (LA)	(1,685,812)	(1,697,289)	(599,946)	(453,677)	(610,524)	(33,142)	-
GN LA Fixed rate	(45,048)	(45,447)	(45,447)	-	-	-	-
Guaranteed notes facility (Held by HEIs)	(49,230)	(49,484)	(12,644)	(36,840)	-	-	-
Guaranteed Notes Facility (HEI Sec)	(3,232)	(3,265)	(173)	-	(3,092)	-	-
Guaranteed Notes facility (MARP)	(28,507)	(28,525)	(28,525)	-	-	-	-
EIB and CEB loans	(1,071,052)	(1,119,450)	-	-	(27,448)	(157,668)	(934,334)
Total	(7,012,881)	(8,130,834)	(689,660)	(575,525)	(691,826)	(834,638)	(5,404,614)

Notes to the financial statements (continued)

18. Financial risk management (continued)

Management of liquidity risk

The HFA's policy in relation to liquidity risk is to ensure, by periodic reviews of cashflow requirements, that it can meet its funding obligations for an appropriate period ahead.

The Board approves a rolling update of a five-year Corporate Plan in the first half of each year. This takes into account the HFA's internal resource calculations on estimates of loan advances, loans maturing during the year and funding options. Regular review of the HFA's financial position is presented, along with management accounts, to the Board.

The Board regularly reviews the current debt programme, which includes a borrowings and advances report on a quarterly basis by loan type and maturity detailing capital, interest rate structure, currency composition, borrowing costs, maturity profile.

The HFA finances its operations by a combination of bilateral funding agreements and Guaranteed Notes issuance, bank overdrafts and retained profits. The NTMA had purchased €5.30bn in GNs at 31 December 2024 (2023: €4.13bn).

The Board considers that sufficient resources are available to cover any liquidity risk that may arise over the next 12 months. The HFA also issues GNs to local authorities and MARP Funds (see Note 15). The HFA's overdraft facilities (€50 million available at 31 December 2024) are subject to annual review by the HFA's bankers.

The overall cost of the HFA's debt in 2024 was an annualised 1.85% compared with 1.34% in 2023, primarily due to increased rates charged by the NTMA and higher rates to GN holders in 2024.

(c) Market risks

Market risk is the risk that changes in market prices, such as interest rate and foreign exchange rates will affect the HFA's income or the value of its holdings of financial instruments. The objective of market risk management is to minimize or eliminate market risk exposures.

Notes to the financial statements (continued)

18. Financial risk management (continued)

Management of liquidity risk

The HFA splits market risks into risks related to changes in variable and fixed interest rates. Interest rate risk exposure is managed by minimising mismatches between its borrowings and its advances within its individual programmes, fixed rate and floating rate. The following uncertainties are taken into account in determining the policy:

- where borrowers can redeem without penalty;
- where specialised markets may not always be receptive to issues and redemptions; and,
- where the HFA's business is subject to changes in Government policy.

The HFA's strategy for managing interest rate risk focuses on ensuring profitability through margin generation. Additionally, the HFA proactively sets interest rates to safeguard the HFA against potential residual risks, using various scenarios and assumptions. The Board assesses the situation regularly and determines the level of reserves required annually.

Management reports to the Board on a regular basis with respect to Interest Rate Risk in the Balance Sheet.

Following the extension of the maximum maturity for notes issued under the HFA's Guaranteed Notes Programme, a suite of fixed rate loan products targeted at local authorities (LAs) and approved housing bodies (AHBs) was approved by the Board in late 2016. In addition, the HFA has access to long term fixed rate funding for new build and retrofit projects from both the European Investment Bank and the Council of Europe Development Bank. Consequently, almost all new business entered into by LAs, AHBs and HEIs is on a fixed rate basis, giving rise to potential interest rate risk on the HFA's balance sheet.

The gross financial assets are analysed below:

	31 December 2024 €'000	31 December 2023 €'000
Fixed rate	6,811,099	5,563,082
Floating rate	2,221,264	2,006,064
	9,032,363	7,569,146

The HFA made new fixed and floating rate advances during the financial year. Fixed rate €1,420.0million; Floating rate €38.5 million. (2023: Fixed rate €1,142.9 million; Floating rate €25.2 million).

Notes to the financial statements (continued)

18. Financial risk management (continued)

Interest rate risk profile of financial assets:

	31 December 2024	31 December 2023
Weighted average fixed interest rate	2.76%	2.42%
Weighted average floating interest rate	2.42%	3.31%
Weighted average period of fixed interest assets	24.6 years	24.3 years

HFA's fixed rate loans primarily consist of 25 and 30-year loans issued to approved housing bodies, higher education institutions and local authorities, with lending to local authorities comprising 20% of fixed rate lending and AHBs and HEIs making up the remaining 80%. Floating rate loans consist mainly of loans to local authorities of terms between one and forty years. Based on original loan balances advanced, the weighted average original loan term is 27.5 years (2023: 27.0 years).

The financial liabilities principal amounts are analysed below:

	31 December 2024 €'000	31 December 2023 €'000
Fixed rate	6,455,154	5,209,148
Floating rate	1,939,173	1,803,733
	8,394,327	7,012,881

Interest rate risk profile of financial liabilities as at year end date:

	31 December 2024 €'000	31 December 2023 €'000
Weighted average fixed interest rate	1.90%	1.78%
Weighted average period for which fixed interest liabilities are fixed (years)	18.4 years	18 years
Weighted average floating interest rate	1.89%	1.79%
Weighted average period for which variable interest liabilities are fixed (days)	125 days	140 days

Fixed rate liabilities include longer-term fixed rate funding with the NTMA and the European Investment Bank and the Council of European Development Bank. Floating rate financial liabilities comprise bank borrowings and Guaranteed Notes.

Notes to the financial statements (continued)

18. Financial risk management (continued)

Fixed rate liabilities include longer-term fixed rate funding with the NTMA and the European Investment Bank and the Council of European Development Bank. Floating rate financial liabilities comprise bank borrowings and Guaranteed Notes.

The following table presents the maturity and repricing of principal amounts of financial assets at the year-end date:

Maturity and interest rate of financial assets	Maturity as at 31 December 2024 €'000	Repricing as at 31 December 2024 €'000
Amounts falling due in one month or less	441,782	2,278,172
Amounts falling due between one and three months	-	-
Amounts falling due between three and twelve months	292,131	249
Amounts falling due between one and two years	128,291	2,203
Amounts falling due between two and three years	66,008	9,501
Amounts falling due between three and four years	18,099	841
Amounts falling due between four and five years	55,932	20,116
Amounts falling due after more than five years	8,030,120	6,721,281
	9,032,363	9,032,363

Notes to the financial statements (continued)

18. Financial risk management (continued)

Maturity and interest rate of financial assets	Maturity as at 31 December 2023 €'000	Repricing as at 31 December 2023 €'000
Amounts falling due in one month or less	141,431	2,041,226
Amounts falling due between one and three months	-	-
Amounts falling due between three and twelve months	131,301	1,351
Amounts falling due between one and two years	225,602	1,992
Amounts falling due between two and three years	32,321	3,248
Amounts falling due between three and four years	51,618	13,382
Amounts falling due between four and five years	27,295	2,562
Amounts falling due after more than five years	6,959,578	5,505,385
	7,569,146	7,569,146

Notes to the financial statements (continued)

18. Financial risk management (continued)

The following table presents the maturity and repricing of principal amounts of financial liabilities at the year-end date:

	Maturity as at 31 December 2024 €'000	Repricing as at 31 December 2024 €'000
Maturity, liquidity measures and interest rate of financial liabilities		
Maturing in one month or less	799,216	820,269
Maturing between one and three months	549,688	562,188
Maturing between three and twelve months	595,564	596,764
Maturing greater than 1 year and less than 2 years	275,000	275,000
Maturing greater than 2 years and less than 3 years	145,000	145,000
Maturing greater than 3 years and less than 4 years	141,200	140,000
Maturing greater than 4 years and less than 5 years	332,500	320,000
Maturing greater than 5 years	5,556,159	5,535,106
	8,394,327	8,394,327

Notes to the financial statements (continued)

18. Financial risk management (continued)

The following table presents the maturity and repricing of principal amounts of financial liabilities at the year-end date:

	Maturity as at 31 December 2023 €'000	Repricing as at 31 December 2023 €'000
Maturity, liquidity measures and interest rate of financial liabilities		
Maturing in one month or less	639,478	663,161
Maturing between one and three months	487,399	502,399
Maturing between three and twelve months	639,904	641,404
Maturing greater than 1 year and less than 2 years	45,048	45,048
Maturing greater than 2 years and less than 3 years	75,000	75,000
Maturing greater than 3 years and less than 4 years	140,000	140,000
Maturing greater than 4 years and less than 5 years	140,000	140,000
Maturing greater than 5 years	4,846,052	4,805,869
	7,012,881	7,012,881

Undrawn committed facilities

The HFA had undrawn committed facilities at 31 December 2024 of €650 million (2023: €175 million), these are the amounts yet to be drawn down on approved committed facilities.

Sensitivity to interest rate risk	100 bp parallel increase €'000 gain	100 bp parallel decrease €'000 (loss)	50 bp parallel increase €'000 gain	50 bp parallel decrease €'000 (loss)
At 31 December 2024	2,382	(2,382)	1,191	(1,191)
At 31 December 2023	2,511	(2,511)	1,256	(1,256)

The above figures have been calculated using outstanding balances of variable rate loan advances offsetting outstanding variable rate GN funding, at the above dates. Increases in interest rates above assume mid-point average for the calendar year. Fixed rate advances and fixed rate funding have no sensitivity to changes in market interest rates and are therefore excluded from this analysis.

Notes to the financial statements (continued)

18. Financial risk management (continued)

Fair value

The following tables outline the fair values of the financial assets and liabilities as at 31 December 2024 and 31 December 2023. The carrying amount of all other financial assets and liabilities not carried at fair value is considered to be a reasonable approximation of fair value. Information for loans is presented below:

	Carrying value €'000	Fair value €'000
31 Dec 2024		
Financial assets		
Loans and receivables:		
Fixed rate	6,811,099	6,346,132
Floating rate	2,221,264	2,173,065
	9,032,363	8,519,197
Financial liabilities		
Fixed rate	6,455,154	6,183,117
Floating rate	1,939,173	1,939,173
	8,394,327	8,122,290

The carrying amount of all other financial assets and liabilities not carried at fair value is considered to be a reasonable approximation of fair value. Information for loans is presented below:

	Carrying value €'000	Fair value €'000
31 Dec 2023		
Financial assets		
Loans and receivables:		
Fixed rate	5,563,082	4,964,623
Floating rate	2,006,064	1,906,596
	7,569,146	6,871,219
Financial liabilities		
Fixed rate	5,209,148	4,992,496
Floating rate	1,803,733	1,803,733
	7,012,881	6,796,229

The HFA operates in a relatively niche market serving a need for funding of local authorities and social housing. It is thus difficult to obtain market observable information on which to calculate a fair value of its fixed rate financial assets and liabilities. Estimated fair values of financial fixed rate assets and liabilities have been discounted using relevant Irish Government

Notes to the financial statements (continued)

18. Financial risk management (continued)

bond yields as at the statement of financial position date. This is based on the HFA's exposure to sovereign risk as discussed in the liquidity risk section of this note. As per the prior year, the floating rate liabilities are shown at par value due to the short-term nature of their maturities.

The fair value of the HFA's assets has been estimated as €7.57 billion (2023: €6.87 billion) while the fair value of its liabilities has been estimated as €7.01 billion (2023: €6.80 billion). A significantly different amount may arise if alternative assumptions were used in calculating fair value. In selecting this methodology, it was considered that the value by reference to variable rates gave a more accurate reflection of the situation and allowed both assets and liabilities to be assessed on a similar basis.

19. Movement in cash, liquid resources and financing

Analysis of changes in net debt	At 31 December 2023 €'000	Cash flows €'000	Non-cash movements €'000	At 31 December 2024 €'000
Cash and cash equivalents	26,138	296,355	-	322,493
Overdraft	-	-	-	-
	26,138	296,355	-	322,493
Guaranteed Notes	(5,941,829)	(1,307,639)	-	(7,249,468)
Bank loans	(1,071,052)	(73,807)	-	(1,144,859)
Interest payable on facilities	(45,731)	(10,346)	-	(56,077)
	(7,058,612)	(1,391,792)	-	(8,450,404)
Net debt	(7,032,474)	(1,095,437)	-	(8,127,911)

Proceeds from the issue of borrowings during 2024 amounted to €91.08 billion (2023: €69.98 billion) and the repayment of borrowings during 2024 amounted to €91.80 billion (2023: €70.06 billion).

20. Share capital

There are 30,000 ordinary shares of €1.30 (2023: 30,000 shares of €1.30), authorised, allotted, called up and fully paid amounting to €39,000 at 31 December 2024 (2023: €39,000).

Notes to the financial statements (continued)

21. Reconciliation of retained surplus

	31 December 2024 €'000	31 December 2023 €'000
Retained surplus at the beginning of year	512,509	438,784
Total comprehensive income for the financial year	70,775	73,725
Retained surplus at end of year	583,284	512,509

22. Reconciliation of shareholder's funds

	31 December 2024 €'000	31 December 2023 €'000
Opening shareholder's funds	512,548	438,823
Total recognised gain for the financial year	70,775	73,725
	583,323	512,548

23. Loan commitments

With regard to proposed lending by the HFA to AHBs/HEIs, loan applications of €2.54 billion were approved but undrawn at 31 December 2024 (2023: €1.78 billion).

24. Post statement of financial position events

There were no significant events after the year-end which require disclosures or adjustments to the accounts.

25. Contingent liability

No dividend is due to be declared for 2024.

26. Approval of Financial Statements

The audited financial statements, which are in the form approved by the Minister for Housing, Local Government and Heritage, with the consent of the Minister for Public Expenditure, NDP Delivery and Reform, were approved by the Directors on 28 March 2025.

Corporate Information

Secretary

David Downing

Registered Office

46 St. Stephen's Green,
Dublin 2.

Eircode: D02 WK60

Registered No: 87513

T +353 1 872 5722
E cosec@hfa.ie
W www.hfa.ie

Auditors

PKF Brenson Lawlor Chartered Accountants,
Statutory Audit Firm,
Brenson Lawlor House
Argyle Square,
Morehampton Road,
Donnybrook,
Dublin 4.

Eircode:D04 W9W7

Solicitors

McCann FitzGerald,
Riverside One,
Sir John Rogerson's Quay,
Dublin 2.

Eircode: D02 X576

Bankers

Allied Irish Bank plc.,
Foster Place,
Dublin 2.



HFA

An Ghníomhaireacht
Airgeadais Tithíochta
Housing Finance Agency

Housing Finance Agency plc

46 St Stephen's Green
Dublin 2
Ireland

T +353 1 872 5722

E cosec@hfa.ie

www.hfa.ie

Annual Report
2024