

# Disclosures Under Investment Firms Regulations (“IFR”)

DATE: 31 December 2025

## Introduction

The Investment Firms Directive and the Investment Firms Regulation (“IFD” and “IFR” and together “**The Regulations**”) were transposed into law on 26 June 2021.

The objective of the IFD and IFR is to provide for capital, liquidity and other prudential requirements for investment firms that reflect the business models of those firms and proportionately capture the risks posed and faced by these firms.

Under the IFR/IFD framework, investment firms fall under one of four classifications.

- Class 1 and Class 1 minus investment firms remain subject to the CRR/CRD prudential framework. Class 1 investment firms, who are the largest and most systemic, are required to apply for authorisation as credit institutions.
- Class 2 and Class 3 investment firms are subject to the new IFR/IFD prudential regime.

Goodbody Stockbrokers UC (“**Goodbody**” or the “**Company**” or the “**Firm**”) is classified as a Class 2 firm under IFD and IFR.

Class 2 firms must comply with a range of requirements relating to, Capital & Own Funds, Liquidity, Internal Governance, Remuneration and Disclosure & Reporting.

In accordance with IFR, we have set out below disclosures relating to the following:

- Risk management objectives and policies (Article 47 IFR)
- Governance (Article 48 IFR)
- Own funds (Article 50 IFR)
- Investment Policy (Article 52 IFR)

**The reporting reference date for these disclosures is 31 December 2025.** As required under Article 46 of IFR, this information is being disclosed on the same date as publication of the Goodbody Financial Statements for the year ended 31 December 2025.

## Risk Management Objectives and Policies

### Risk Profile and Strategy

The Company’s Risk Management Framework (RMF) sets out how risk is managed in Goodbody and provides the foundations and organisational arrangement for risk management practices and articulates the integrated approach to risk management. The RMF ensures that all classes of risk directly or indirectly impacting Goodbody are managed in a single consistent and cohesive manner. The RMF aims to support Goodbody in meeting its purpose and achieving its strategic ambitions by providing a clear, concise and comprehensive approach to the governance, implementation and embedding of risk management practices.

The objective of the RMF is to detail how risk is assessed, monitored, governed, and mitigated through providing clarity on the roles and responsibilities for risk management. The RMF is underpinned by a number of core risk management principles and central among these are the following:

- The Goodbody Board has ultimate responsibility for the governance of all risk-taking activity.
- Goodbody has adopted a Three Lines of Defence model.
- Goodbody has a clearly defined risk framework and policy architecture.
- Goodbody identifies, assesses, and reports all its material risk through the material risk assessment process.
- Risks are identified and assessed using top-down and bottom-up approaches, and where possible models are used to measure risk.
- Goodbody operates and manages its risks in line with a Risk Appetite Statement.
- Risk provides independent challenge and assurance to all key strategic decisions.
- Risk Culture is an integral part of the RMF.

We strive to achieve our financial objectives through sustainable growth in our core businesses, while accepting some earnings volatility due to movements in financial markets as well as a lack of predictability of transaction activity across a number of our business lines. We understand the value-drivers within the Firm’s business model, and the material risks to this, both internal and external. We will seek to identify and measure all risks that impact our activities and will aim to only take risks that we fully understand.

## Risk Governance & Oversight

The primary components for governance and oversight purposes are the Goodbody Board (Board), the Board Risk and Compliance Committee (BRCC), the Board Audit Committee (BAC) and several Executive Committees which support oversight of the Goodbody strategic pillars and material risks.

These committees include the Executive Leadership Team (ELT), Executive Risk and Compliance Committee, Executive Change Committee, Conduct Committee and Goodbody Product Committee. The Chair of each committee is responsible and accountable for delivery against a detailed terms of reference and programme of work which defines the activities of the committees and addresses all obligations delegated to them by the ELT. In addition, they are responsible for reporting on the committee's activities and timely escalation of any items for attention to the ELT.

## Three Lines of Defence

Goodbody operates a Three Lines of Defence model (3LOD) where each line plays a distinct role within the Company's wider risk governance, management, oversight and assurance responsibilities. Under the three lines of defence model, business lines (first line of defence) have primary responsibility for risk management including identifying, measuring, monitoring and controlling risks within their areas of accountability. The second line of defence oversees the first line, sets the risk frameworks, policies and limits that are consistent with the risk appetite, in addition to providing independent oversight and challenge to business line managers with regard to risk management practices. The third line of defence is the Internal Audit function that provides an independent view to the Board of Directors through the Board Audit Committee on the key risks facing Goodbody, and the adequacy and effectiveness of the system of governance, risk management and internal control environment in managing these risks.

**First Line of Defence** - Functions and Business Units in the First Line of Defence (1LOD) undertake front line, operational activities. Through their day-to-day activities, these functions and teams take risks which are managed through the effective design and operation of controls. The 1LOD comprises the revenue generating and client facing areas, along with all associated support functions. Under the 3LOD model, primary responsibility for risk management lies with 1LOD.

**Second Line of Defence** - The Second Line of Defence (2LOD) comprises Risk, Client Asset Oversight, and Compliance functions that monitor, control and support risk-taking activities across Goodbody. 2LOD provides advice and guidance in relation to risk while providing independent oversight and reporting on Goodbody's risk profile. 2LOD is responsible for providing independent oversight and challenge to the business. Oversight involves regular monitoring of Business units/areas risk management activities and reporting. 2LOD recommends Goodbody's risk appetite to the Board for approval and establishes Risk Frameworks and Policies designed to manage risk within the agreed risk appetite.

**Third Line of Defence** - Goodbody Internal Audit (IA) primary responsibility is to the Company's Board of Directors through the Board Audit Committee. IA assists the Board of Directors in carrying out its corporate governance responsibilities by providing an independent view on the key risks facing the Company, and on the adequacy and effectiveness of the system of governance, risk management and internal control in managing these risks. All activities undertaken within, and on behalf of, the Company are within the scope of IA.

## Risk to Client

### K-AUM (assets under management)

Conduct Risk Management is an integral part of the Firm's client service proposition. The Firm's Conduct Committee was established to review and oversee the Goodbody conduct risk profile and seeks to further promote and embed a client centric culture in Goodbody, driving consistent client management and fair outcomes across all Goodbody business units. The Conduct Committee receives its delegated authority from the Goodbody Executive Leadership Team which comprises the group of senior executives in Goodbody.

Observance of Client Suitability is of key importance from both a regulatory and a client service perspective to ensure clients are provided with investments that are suited to their requirements. Goodbody has a robust Client Suitability Review in place to ensure that clients invest appropriately. This review is conducted at several levels, from the initial account opening phase to ongoing interaction with Investment Managers and also in relation to specific products. This is supported by a focus on compliance with rules, processes, and client due diligence.

Advisory and discretionary clients are required to complete a risk profile questionnaire to assist the alignment of investment assets/products to the client's risk appetite. A statement of suitability is issued annually to ensure investment objectives remain aligned to their investment strategy.

The Company manages its advisory activities, in the context of assets under management, in line with the type of client, their service requirements, and general risk appetite.

As part of the management of the risk that the Firm's products/services fail to meet its clients' needs, are inappropriately complex or are not fit for purpose, the Goodbody Product Committee ("GPC") is the principal approving body and primary decision maker for product risk management in Goodbody. The GPC plays a key role in providing leadership and promoting a culture of compliance and client focus across Goodbody.

#### K-COH (client order handling)

Client orders are processed according to the prevailing best execution policy and are received only through authorised channels.

#### K-CMH (client money held) and K-ASA (asset safeguard)

Care with counterparty selection helps reduce exposure to credit risk and particular care is made in the selection of counterparties who hold client assets. The Client Asset Requirements ("CAR") obliges Goodbody to exercise an appropriate level of due diligence in the selection and oversight of its counterparty relationships. The Client Asset Counterparty Approval Committee provides both the initial and on-going approval of client asset related counterparty relationships, both with credit institutions and with third parties.

Client asset oversight is conducted by a segregated and dedicated team reporting to the Head of Client Asset Oversight (HCAO). It operates a BRCC approved monitoring plan. In accordance with the CAR, the Firm maintains a Client Asset Management Plan (CAMP) setting out its approach to the safeguarding of its clients' assets. This is subject to Board review on at least an annual basis. In line with the CAR, Goodbody is subject to an annual client asset examination performed by an external auditor.

### Risk to Market

#### K-NPR (net position risk)

The Risk to Market can be defined as the risk to Goodbody earnings and shareholder value (capital) resulting from adverse movements in the level or volatility of market prices of equities and currencies.

Market Risk is governed and managed through a combination of:

- A Market Risk Management Framework and Market Risk Management policy, collectively forming the market risk policy architecture.
- Dedicated and specific limits to the scope of trading activities.

- Trading systems that facilitate the close monitoring of exposures at instrument and portfolio level.
- 1LOD risk ownership with 2LOD oversight.
- Management reporting.

The Firm's market risk policy architecture defines a robust, well-established limit framework. This limit framework defines clear limits for book size, individual positions, sector exposure, value at risk levels, price value (PV01) and credit spread (CS01) limits, stop loss limits and FX exposure. Clear escalation procedures are defined and management reporting of the Firm's market risk activities and its adherence to the limit framework is presented to the Executive Risk and Compliance Committee and the Board Risk and Compliance Committee.

#### K-CMG (clearing margin)

K-CMG corresponds to the margin requirements set by a clearing member or qualifying central counterparty for own-account transactions executed under their responsibility. The Firm has elected to apply K-NPR for the calculation of its risk exposure to derivative positions and therefore does not utilise the K-CMG measure.

### Risk to Firm

#### K-TCD (trading counterparty default), K-CON (concentration), and K-DTF (daily trading flow)

The Company manages the risk that a client or counterparty will be unable or unwilling to meet a commitment that it has entered into and that the Company is unable to recover the full amount that it is owed through the realisation of any security interests. This includes:

- (a) K-TCD - Risk of Trading counterparty default: Loss arising in situations where Goodbody has given irrevocable instructions for a transfer of a principal amount or security in exchange for receiving a payment or security from a counterparty which defaults before the transaction is completed.
- (b) K-CON: Concentration risk arising from exposure to a client or group of connected clients in the Firm's trading book.
- (c) K-DTF – Risk associated with transactions conducted by the Firm on its own trading book or on behalf of clients.

Credit Risk is governed by AIB Group Credit Risk Management Framework and Policies and supplemental by a firm specific credit risk management standard, collectively forming the credit risk policy architecture. The credit risk architecture sets out:

- The principles and governance arrangements for the identification, assessment, measurement, management, monitoring and reporting of credit risk.

- The formal governance structure for the review and approval of counterparties with which Goodbody places Firm and client cash and assets, together with requirements for ongoing monitoring.
- The internal control and reporting system, including the risk controls and assurance practices required to ensure that exceptions and deviations from credit policies and limits are monitored and reported in a timely manner for review and action.
- The debtors management and oversight control environment, including the requirement for weekly senior management sign off.

In addition:

- The assessment of potential credit risk arising from new or amended credit related products or service activities is governed through the Goodbody Product Committee and Executive Change Committee.
- There is clear segregation of client assets from Firm assets as required under CAR.

The vast majority of the Company's transactions with market side counterparties and institutional clients settle on a delivery versus payment (DVP) basis thus minimising the potential exposure to credit risk for both the Firm and its clients. For standard transactions, in the case of retail clients, either cash (in the case of purchases) or stock (in the case of sales) is placed with the Company prior to trading.

#### K-CON (Concentration Risk):

As a Class 2 investment firm under IFR, Goodbody is subject to concentration risk monitoring and reporting requirements. For the purposes of the K-CON calculation, the Firm uses the methodology set out in Part Four of the Regulations.

- Concentration risk Reporting and Monitoring.
  - K-CON reporting requirements imposes specific limits for trading book exposure to credit institutions or investment firms with permitted exposure exclusions (e.g. sovereign bond exposures), before any regulatory capital charge is applied under the Regulations.
  - K-CON reporting requirements also imposes specific limits for trading book exposure to counterparties other than credit institutions and investment firms, before any regulatory capital charge is applied under the Regulations.
  - Monitoring of Concentration risk is undertaken daily by the Firm.

#### Liquidity

Liquidity risk is the risk that Goodbody will not have available funds or banking facilities to meet obligations as they fall due and is forced to obtain funds at far higher interest rates than under normal conditions due to a mismatch between the maturities of assets and liabilities or an unexpected outflow of funds (referred to as funding-liquidity risk).

It includes the risk that Goodbody will incur lost revenue, excessive cost and/or reputational damage because it is unable to conduct market transactions or is forced to conduct transactions at more unfavourable prices than under normal conditions due to a market events (referred to as market-liquidity risk). Liquidity risks can also be generated due to high asset encumbrance, unexpected intraday liquidity settlement and inefficient collateral management.

The AIB Group ILAAP Framework and Goodbody Liquidity & Funding Risk Management Policy set out rules to ensure liquidity and funding risk is effectively managed including detailing the risk management activities in place and the integrated approach to comprehensive risk management assessment activities within Goodbody.

The Goodbody Liquidity and Funding Risk Management Policy empowers the internal control functions with appropriate and sufficient authority, stature and access to the Board and its committees to fulfil their roles and responsibilities.

The Goodbody Board is ultimately responsible and accountable for the effective management of liquidity and funding risks and for the system of internal control in Goodbody. This is achieved through a liquidity and funding risk governance structure designed to facilitate the reporting, evaluation and escalation of liquidity and funding risks from business segments and control functions upwards to the Board and its appointed committees.

Goodbody's liquidity risk measurement approach considers cashflow analysis which gives management visibility of potential liquidity challenges and opportunities. The measurement tool for assessing cashflow utilises liquidity scenario stress testing. Liquidity stress testing is the assessment of the funding and liquidity impact of certain possible developments and shocks, including possible macro- or microeconomic scenarios, on Goodbody's overall liquidity position, including on its minimum or additional liquidity requirements.

The Goodbody liquidity stress testing processes are supported by a framework of stress testing and a combination of risk management activities including the Internal Capital Adequacy and Risk Assessment Process (ICARAP), Wind-down plan and Contingency Funding Plan. The stress testing approach comprises of scenario and sensitivity analysis and back-testing that seeks to ensure that liquidity risk assessment is dynamic and forward-looking and considers not only existing risks but also potential and emerging threats.

Stress testing supports risk appetite and limit settings, investment and hedging decisions, new product approval process, strategic business planning and capital/liquidity adequacy assessment.

Measurement of liquidity risk is managed by Goodbody Finance in accordance with the Board approved risk appetite and risk control limits, including the design of the liquidity risk measurement approaches, the definition of the measurement tools, the choice of liquidity risk drivers and the assumptions. Goodbody Financial Risk is responsible for the independent validation of liquidity risk measurement tools and assumptions.

Risk monitoring and reporting arrangements are in place for each of the material liquidity risks. This enables management, governance committees and external stakeholders to adequately assess the effectiveness of the risk management processes and adherence to policies, and where required, regulatory requirements. Risk monitoring and reporting also facilitates the decision-making process in relation to the remedial management action required to resolve any risk events which have arisen.

Goodbody established a set of liquidity measures for assessing and controlling liquidity and funding risks. These measures include intraday liquidity assessment, high quality liquidity buffer assessment, asset encumbrance, liquidity single name concentration, liquidity projections, and a contingency funding plan.

## Governance

### Board Composition and Directorships

At 31 December 2025 the Board of Directors of the Company was comprised of a Chair, three additional Independent Non-Executive Directors, three AIB Group Non-Executive Directors and two Executive Directors.

Name	Board Position(s)
James Garvey	Chair & Independent Non-Executive Director
Grainne Hennessy	Independent Non-Executive Director
Joan Kehoe	Independent Non-Executive Director & Risk & Compliance Committee Chair
Fergal O’Dwyer	Independent Non-Executive Director & Audit Committee Chair
Cathy Bryce	AIB Group Non-Executive Director
Donal Galvin	AIB Group Non-Executive Director
Mary Whitelaw	AIB Group Non-Executive Director
Simon Howley	Executive Director
Martin Tormey	CEO & Executive Director

Additional Directorships held by Goodbody Directors as at 31 December 2025	
Number of additional Directorships held	20
of which AIB Group directorships	5
of which External Directorships	15

### Board Diversity

The Goodbody Board recognises the benefits of having diversity in its composition. Diversity includes and makes use of differences in the skills, geographical and industry experience, background, nationality, ethnicity, gender, age, educational attainment and personal strengths of individual Directors and contributes to the Board’s ability to provide effective challenge to Management and leadership and oversight of Goodbody.

The Goodbody Board set a target to maintain at least 40% female representation on the Board. An additional target has been set that at least one Board leadership position (Board Chair, Board Audit Committee Chair, or Board Risk & Compliance Committee Chair) be held by a woman, where this is consistent with other skills and diversity requirements. At 31 December 2025, female representation on the Goodbody Board was **44%** and the role of Chair of the Goodbody Board Risk & Compliance Committee was held by a woman. The Board remains committed to maintaining gender diversity on the Board and to achieving the most appropriate blend and balance of diversity possible over time.

A copy of the Goodbody Board Diversity Policy is available at the following link:

<https://www.goodbody.ie/documents/Goodbody-Stockbrokers-Board-Diversity-Policy-CURRENT-February-2026.pdf>

### Risk Committee

In accordance with the Central Bank of Ireland’s Corporate Governance Requirements for Investment Firms and Market Operators, the Goodbody Board has established a Risk and Compliance Committee, the BRCC. The Board Risk and Compliance Committee operates under its own Terms of Reference which are reviewed and approved by the Goodbody Board on an annual basis. The Goodbody Chief Risk Officer (CRO) and Goodbody Chief Compliance Officer (CCO) have a direct reporting line to the Chair of BRCC. A summary of the responsibilities, composition and activities of BRCC in 2025 is set out below:

**Goodbody Board Risk and Compliance Committee (BRCC)****Six Meetings during 2025****Composition (as at 31 December 2025):**

Joan Kehoe (Chair)  
 Grainne Hennessy  
 Fergal O'Dwyer

**Responsibilities**

BRCC is appointed by the Board to assist and advise the Board in fulfilling its oversight responsibilities in relation to:

- Fostering sound risk governance, regulatory compliance and a robust risk and compliance risk management framework.
- Ensuring that all material risks within the Company are appropriately identified, reported, assessed, managed and controlled.
- Ensuring that the Company's overall actual and future risk appetite and strategy, taking into account all types of risks, are aligned with the business strategy, objectives, corporate culture and values of Goodbody.
- Promoting risk awareness culture within Goodbody.
- Reviewing the strength of the compliance culture within the business and promoting a strong compliance culture across Goodbody.

**Activities in 2025**

There were no changes in BRCC membership in 2025.

The following, while not intended to be exhaustive, is a summary of the key items considered, reviewed and/or approved or recommended to the Board by the Goodbody BRCC during 2025:

- regular reports from the CRO providing an overview of the Firm's risk profile and material risks, including business model, capital adequacy, financial, liquidity & funding, operational, regulatory compliance, conduct, people & culture, together with related mitigants;
- regular reports from the Head of Client Asset Oversight and the Goodbody Client Asset Management Plan (CAMP);
- regular reports from the CCO on regulatory compliance and Compliance Function matters, including the Annual Compliance Report on the implementation and effectiveness of the Firm's systems and controls in complying with MiFID II;
- the Market Abuse Business Wide Risk Assessment;
- regular reports from the Goodbody Money Laundering Reporting Officer (MLRO) and the annual MLRO Report and the Financial Crime Business Wide Risk Assessment;
- Risk and Compliance Frameworks and Policies;
- the outcome of the Material Risk Assessment (MRA);
- a revised Risk Appetite Statement (RAS) for Goodbody, aligned to the updated MRA;;
- the effectiveness of the Operational Resilience Framework, including the 2025 Operational Resilience programme;
- macroeconomic scenarios for the Goodbody ICARAP;
- updates from the Goodbody Chief Operations Officer on third party management governance and the Goodbody Outsourcing Strategy;
- a briefing on the refreshed regulatory horizon scanning process in Goodbody and specific updates from the European Accessibility Act (EAA) regulatory change programme;
- product governance updates from the Chair of the Goodbody Product Committee;
- oversight of the Risk and Compliance Functions through review of annual functional plans and monitoring of delivery against these plans; and
- formal confidential consultations with the CRO, Head of Internal Audit, Head of Client Asset Oversight, CEO and CCO with only Members of the Committee present.

## Own Funds

### Internal Capital Adequacy Assessment

In line with the requirements of IFD/IFR the Firm is required to prepare an internal assessment which assesses the capital and liquidity adequacy of the Firm and for the Firm to determine that it is adequately capitalised and maintains sufficient liquidity against the risks to which it is exposed. This is the Firm's Internal Capital and Risk Assessment process document (ICARAP).

A robust governance structure is in place around the assessment, monitoring & control of the Firm's capital adequacy. The ICARAP measures the Firm's capital through two lenses, namely the Normative and Economic perspectives, which complement and inform each other.

- The Normative perspective is aimed at the survival of Goodbody, under stress scenarios, based upon the regulatory and supervisory requirements.
- The Economic perspective assesses projected economic losses under stress scenarios that deplete capital. Both perspectives cover a three-year assessment of Goodbody's ability to fulfil all its capital & liquidity-related regulatory and supervisory requirements, which includes the assessment of:
  - a baseline scenario
  - a mild stress scenario: economic downturn and deterioration in global economic growth
  - a severe stress scenario: economic recession and sharp slowdown in growth

In summary, the normative perspective covers a three-year assessment of Goodbody's ability to fulfil all its capital-related regulatory and supervisory requirements and, the Economic perspective assesses the extent to which the material risks of the Firm are covered by internal capital resources over the same period.

The Goodbody ICARAP presents an outline of the Goodbody business model, to clearly illustrate how the key risks facing Goodbody have been addressed through the ICARAP process. The document then outlines the core elements of the risk management and control framework mitigants that support the business model. This provides the context for the Internal Capital requirement calculations that are generated through stress and scenario testing of the material risk exposures under a Normative and Economic perspective.

### Own Funds reconciliation

Set out in the [“Own Funds Disclosure Year end 2025”](#) is the Composition of Regulatory Own Funds, the reconciliation of Own Funds to the audited year end 31st December 2025 financial statement's balance sheet of the Firm and the main features of instruments issued by the Firm.

### Fixed Overhead Requirement

In accordance with Article 13 of IFR, the Fixed Overhead Requirement was €20.1m as at 31st December 2025

### K Factor Requirement

Set out in the [“K Factor requirement Dec-25”](#) is the K-factor requirement for the year-end 31st December 2025 calculated, in accordance with Article 15 of the Regulations, in aggregate form for Risk to Market, Risk to Firm and Risk to Client, based on the sum of the applicable K-factors.

## Investment Policy

The Firm is not required to publish an investment policy under the IFR as the proportion of voting rights the Firm holds, directly or indirectly, does not exceed the 5% threshold of total voting rights in any company where voting rights are held.

## ESG Risks

### Environmental, Social and Governance (“ESG”) Risks

In line with the requirements of IFD/IFR the Firm is required to disclose information on environmental, social and governance (“ESG”) risks including physical risks and transition risks as defined in the EBA report on the management and supervision of ESG risks for credit institutions and investment firms issued on 23 June 2021. The Firm's ESG disclosures under IFR can be found [here](#).

## Remuneration

### Remuneration policy and practices for Material Risk Takers “MRTs”

In line with the requirements of IFD/IFR the Firm is required to disclose information regarding its remuneration policy and practices for individuals identified as MRTs. The Firm's remuneration disclosures for the year ended 31st December 2025 can be found [here](#).