

## **Bank of Ireland Group plc (the “Group”) 2025 Annual Results and Strategy Update**

### **2 March 2026**

Bank of Ireland Group has today published its 2025 Annual Results and Strategy Update to 2028. The Group delivered a strong performance for 2025, reporting profit before tax of €1.4 billion, underpinned by strong growth in Irish loans, deposits and customer numbers, and wealth assets under management reaching record levels. This performance has supported attractive shareholder returns of €1.2 billion. The Group enters its new strategic cycle from a position of strength across its franchise, with clear momentum in delivery, poised to drive significant shareholder value through earnings growth, accelerating returns and strong capital generation.

### **Strong financial performance in 2025 - Key highlights**

- €1.4bn profit before tax
- Adjusted RoTE of 13.9% (16.3% ex UK motor finance provision)
- Statutory RoTE of 10.9% (12.8% ex UK motor finance provision)
- NII €3.37bn, growing in 2026; accelerating into 2027 and 2028; Fee income +7%
- Irish lending and deposit book both +6%; Wealth Assets Under Management +9%
- Operating expenses €2.03bn, in line with guidance
- Non-core charge of €430m, including UK motor finance provision of €264m
- Net credit impairment charge €193m (23bps). NPE ratio 2.2%; 40bps improvement in H2
- Strong organic capital generation of 270bps; CET1 ratio of 15.1%
- Total distribution of €1.2bn (100% FY25 total payout ratio, up from 80% FY24)
  - Ordinary dividend €667m (DPS of 70 cents, +11% year-on-year)
  - €530m approved share buyback

### **Strategy Update 2026-28 - Key highlights**

#### **Driving growth in Ireland | Optimising capital allocation | Investing for the future**

- Statutory RoTE building to >16% by 2028 (*equates to >19% on prior Adjusted RoTE basis*)
- EPS growth - mid to high teens reported EPS CAGR<sup>1</sup>
- Total income of >€4.75bn by FY28; >4% CAGR over plan, with FY27-28 closer to 5-6%
- NII guidance upgraded; c.€3.4bn in FY26; >€3.6bn in FY27; >€3.85bn in FY28
- Strong balance sheet growth; Loan book growth to average c.4% p.a.; Deposit book c.3% p.a.; and Wealth Assets Under Management c.10% p.a.
- Total costs (operating expenses plus restructuring costs) stable at c.€2.2bn over FY26-28
- Mid-40s Cost Income Ratio in FY28 (on new basis); c.6ppts improvement vs FY25
- CET1 capital guidance updated to c.14.5%
- Highly capital generative business averaging c.260bps p.a.
  - Projected cumulative net capital generation<sup>2</sup> of c.€3.7bn over strategic cycle, equivalent to c.25% of end 2025 market capitalisation
- Strong capital distribution momentum; Progressive DPS, supported by c.50% dividend payout ratio, with significant surplus capital generation

### **Myles O’Grady, Bank of Ireland Group CEO**

“The Group closed out its 2023–2025 strategic cycle on a very strong footing, delivering clear benefits for customers, colleagues, shareholders and society.

“Over the past 3 years, the Irish loan book grew by 33%, Irish deposits by 11% and Wealth Assets Under Management by 54%. This reflects the strength and depth of Bank of Ireland’s franchise, as Ireland’s National Champion Bank.

“This excellent business performance enabled strong shareholder returns of €3.6 billion through buybacks and dividends, supported by consistent execution on the financial targets that we set for the Group, where we delivered an average 16% adjusted RoTE, beating our target.

“During this period we also increased new to bank customers by 18% while significantly improving customer experience, with a 16 point increase in the Customer Relationship Net Promoter Score reflecting sustained investment in digital and customer experience capabilities.

“The Group enters the new strategic cycle with momentum, and from a position of strength across our franchise. Our Strategy 2028 will drive significant shareholder value through earnings growth, accelerating returns and strong capital generation, with continued momentum to 2030.

“We are poised for growth. Ireland continues to be a highly attractive market and our unique business model in Ireland is superbly positioned to both support and benefit from this backdrop. This is bolstered by our disciplined approach to capital allocation which ensures we will optimise returns from our complementary international businesses. We continue to invest for the future in support of our more than 4 million customers, creating long term value through a step change in our operating leverage and earnings growth profile.

“I thank our customers for their trust, which we do not take for granted, my colleagues for their dedication, and our shareholders for their support.”

### **Strong FY25 financial performance – Dividend up 11%; total distribution of €1.2bn**

#### *Total Income*

Net interest income of €3.37bn slightly exceeded expectations, reflecting strong balance sheet growth in Ireland and the benefits of our structural hedge and bond purchases countering the impact of lower interest rates and planned deleveraging. The Group maintained its commercial discipline, reflected in the 26bps widening in the loan asset spread to 311bps.

Fee income, including from JVs and associates, was €816m in 2025, +7%. This was led by an excellent performance from our Wealth and Insurance franchises, Davy and New Ireland, where fee income rose 12%, also supplemented by some modest one-off life assurance assumption changes. Assets under management increased by 9% in FY25 to a record €60 billion.

#### *Total Costs*

Operating expenses were up 3% to €2.03bn, in line with expectations, reflecting inflation and investment with a partial offset from efficiencies. The cost income ratio was 49%. Non-core items were €430m, primarily comprising customer redress charges of €268m (related to UK motor finance) and restructuring costs of €153m.

#### *Balance Sheet*

Loans were €82.5bn at end 2025, flat versus the prior year. There was an excellent performance in Irish lending (+€3.2bn); a modest increase of €0.1bn in Retail UK; with planned deleveraging in our International Corporate portfolios (-€1.6bn) and a -€1.7bn impact from FX/impairment.

The Group has retained its strong liquidity profile. Customer deposits were €107.5bn, €4.4bn higher versus FY24, led by a notable 6% increase in Irish Everyday Banking. Corporate deposits were flat; while Retail UK volumes were +4%, driven by a strong performance in Northern Ireland.

The Group's liquid asset portfolio increased by €2bn to €46bn due to higher customer deposits, partially offset by lower wholesale funding of €1.7bn, higher lending of €1.4bn (constant currency) and other items of €0.3bn. During 2025, the Group purchased €12bn worth of bonds.

The Group's liquidity coverage ratio was 191% (Dec 2024: 198%); loan to deposit ratio was 77% (Dec 2024: 80%); and net stable funding ratio was 156% (Dec 2024: 155%).

#### *Asset Quality*

The Group's asset quality is robust, with a strong performance in H2 2025. The NPE ratio was 2.2% at end 2025, unchanged from end 2024, but 40bps lower than June 2025. The net credit impairment charge was €193m (23bps), comprising €65m from net loan loss experience and portfolio activity and €128m from macroeconomic and model updates. On 17 February, the Group announced that, following the completion of a strategic review, it has decided to exit its US Leveraged Acquisition Finance business, in line with its disciplined approach to capital allocation. The €1.2bn loan book is expected to run down over the next c.3 years.

#### *Capital & Distributions*

Capital strength remains a key feature, with a CET1 ratio of 15.1% at year end. Organic capital generation was 270bps (310bps excluding UK motor finance). RWA investment accounted for 105bps, comprising 65bps for lending and CRT amortisation and IRB model scalars of 40bps, with an objective to at least partially mitigate the latter over time.

Distributions totalled €1.2bn (225bps) comprising a cash dividend of €667m and the approved share buyback of €530m, representing a total distribution payout ratio of 100% (FY24 80%). The 70 cent full year DPS (+11% yoy) is reflective of our confidence in our business and is the fifth successive year in which the Group has raised its full year dividend.

#### **Customer, colleague and society stakeholder outcomes in FY25**

Our customers' needs continue to evolve and we respond to this at pace. We are pleased to report that our Personal Customer Relationship Net Promoter Score improved to an all-time high of +31 in H2 2025 (from +25 in H2 2024), while there was also a 24% reduction in customer complaints in Ireland in 2025.

We have added to our broad suite of products and services to ensure we remain a trusted, relevant partner for all of our customers' financial needs. New product enhancements in 2025 include *Smart Start*, a new personal current account for 7-15 year olds; *Coming to Ireland*, an advance account-opening service for those moving or returning to Ireland; a new lending platform for Irish small business and agri customers; and an enhanced UK business deposit proposition.

For our colleagues, we have helped to simplify ways of working by improving processes and systems in a range of ways. We have also established a continuous learning culture, with infrastructure in place to ensure our people are future-ready, including an AI Academy.

For society, we recorded a 20% increase in Sustainable Finance lending to €17.7bn, comfortably exceeding our 2025 target of c.€15bn and on track to deliver on our target of €30bn by 2030.

#### **2026 financial guidance**

- Net interest income of c.€3.4bn. Structural hedge fixed leg income growth of c.10%
- Deposit growth of c.3%, led by Irish Everyday Banking
- Loan growth of c.4%, with continued strong performance in Ireland, stable UK performance and run down of GB Corporate and US LAF (c.€1.7bn remaining)

- Fee income growth of c.4%, driven by Wealth & Insurance
- Total costs of €2.2bn (operating expenses and restructuring costs), with c.2% growth in operating expenses and restructuring costs in line with FY25
- Cost Income Ratio flat vs 52% in FY25 (on new basis, which includes restructuring costs and JVs/ associates income)
- Cost of Risk in the low to mid-20bps, subject to no material change in economic conditions or outlook
- Statutory RoTE of c.12.5% (*equivalent to c.15.5% on the prior Adjusted ROTE basis*)
- Updated CET1 capital guidance of c.14.5%, with an objective to operate at this guidance
- Capital generation c.250bps, with c.25% for RWA investment
- Progressive ordinary DPS, supported by c.50% dividend payout ratio of attributable profits; surplus capital available for consideration for further distributions subject to the Group's assessment of the risks and opportunities facing the business

### **Strategy Update – Our ambitions for 2028 and beyond**

Our Strategy 2028 will drive growth in our Irish franchise, optimise capital allocation and see the Group investing for the future for the delivery of sustained value creation within and beyond this 3-year strategic cycle.

We are entering this cycle from a position of strength and with momentum across our businesses, with a supportive economic and market backdrop. We have #1 or #2 market positions across retail, business and corporate banking, underpinned by trusted brands, customer affinity and a resilient funding base. We are the #1 player in Ireland's fast growing wealth sector. Our strategy builds from the foundations established in the last cycle to the next phase of disciplined growth.

Our strategy will deliver across three priorities:

- Driving growth in Ireland, by enhancing our Mortgage, Wealth & Insurance and Everyday Banking franchises
- Leveraging core Ireland strengths to ensure disciplined growth in our complementary UK and international businesses and optimise capital allocation and returns
- Ensuring the right to win by building future ready core capabilities, harnessing investments in digital, data and AI, our people and culture and customer insights.

Strategy 2028 will drive significant shareholder value creation through earnings growth, accelerating returns and strong capital generation. We have set new financial targets, with statutory RoTE building from 10.9% in 2025 to >16% by 2028; a mid to high teens EPS CAGR<sup>1</sup> (vs reported FY25 EPS of 115c); and organic capital generation averaging c.260bps which will support strong shareholder distributions. We anticipate continued momentum to 2030.

The building blocks for this strong outcome are:

- Our unrivalled leading position in Ireland's outperforming and structurally advantaged economy supporting a revenue CAGR of >4% over the plan (with FY27-28 closer to 5-6%); underpinned by average deposit and loan book growth of c.3% and c.4% respectively; Wealth AUM average growth of c.10%; and our structural hedge tailwind.
- A c.6ppts improvement in our Cost Income Ratio to mid-40s by FY28, with an ambition to get to <45% by FY30, reflecting revenue growth and efficiency initiatives which are driving a step change in operating leverage.
- Our updated distribution policy is to maintain a progressive ordinary DPS, supported by a c.50% dividend payout ratio of attributable profits. The Board will also consider the distribution of surplus capital on at least an annual basis.

## Ends

- <sup>1</sup> The EPS CAGR does not include any positive impact from share buybacks
- <sup>2</sup> Net capital generation is calculated as organic capital generation less capital retained for RWA investment plus capital above the CET1 guidance level

The annual report is available at <https://investorrelations.bankofireland.com/results-centre/>

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## Bank of Ireland Group plc

### Forward Looking Statement

This announcement contains forward-looking statements with respect to certain of Bank of Ireland Group plc (the 'Company' or 'BoIG plc') and its subsidiaries' (collectively the 'Group' or 'BoIG plc Group') plans and its current goals and expectations relating to its future financial condition and performance, the markets in which it operates and its future capital requirements. These forward-looking statements often can be identified by the fact that they do not relate only to historical or current facts.

Generally, but not always, words such as 'may', 'could', 'should', 'will', 'expect', 'intend', 'estimate', 'anticipate', 'assume', 'believe', 'plan', 'seek', 'continue', 'target', 'goal', 'would', or their negative variations or similar expressions identify forward-looking statements, but their absence does not mean that a statement is not forward-looking.

Examples of forward-looking statements include, among others: statements regarding the Group's near term and longer term future capital requirements and ratios, loan to deposit ratios, expected impairment charges, the level of the Group's assets, the Group's financial position, future income, business strategy, projected costs, margins, future payment of dividends, future share buybacks, the implementation of changes in respect of certain of the Group's pension schemes, estimates of capital expenditures, discussions with Irish, United Kingdom, European and other regulators, plans and objectives for future operations, the potential impact from uncertainty around international trade and tariff policies, and the continued impact of regional conflicts on the above issues and generally on the global and domestic economies.

Such forward-looking statements are inherently subject to risks and uncertainties, and hence actual results may differ materially from those expressed or implied by such forward-looking statements.

Such risks and uncertainties include, but are not limited to, those as set out in the Risk Management Report in the Group's Annual Report for the year ended 31 December 2025.

Nothing in this announcement should be considered to be a forecast of future profitability, dividend forecast or financial position of the Group and none of the information in this announcement is or is intended to be a profit forecast, dividend forecast or profit estimate. Any forward-looking statement speaks only at the date it is made. The Group does not undertake to release publicly any revision to these forward-looking statements to reflect events, circumstances or unanticipated events occurring after the date hereof.