Bank of Ireland Group plc (the "Group")
2024 Annual Results

24 February 2025

Bank of Ireland has today published its Full Year 2024 Annual Results reporting profit before tax of €1.9 billion, an adjusted Return on Tangible Equity of 16.8% and shareholder distributions of €1.2 billion. This very strong performance is underpinned by growth in loans, deposits, and wealth assets under management. The Group has also provided an update on its positive outlook to 2027, targeting an adjusted Return on Tangible equity of above 17% in 2027 supported by a positive macroeconomic backdrop, balance sheet and income growth, and cost efficiency. This outlook translates to continued strong levels of capital generation over 2025 - 2027 supporting growth, investment, and shareholder returns.

Comment: Myles O'Grady, Bank of Ireland Group CEO:

"In 2024, the Group delivered a very strong performance reporting a profit of €1.9 billion. We are now two-thirds of the way through our current strategic cycle and continue to meet or beat all our business targets. This performance reflects focussed and consistent strategic execution, our differentiated business model, and the attractive markets where we do business. Our strategy is to build stronger customer relationships, a simpler business, and a more sustainable company. These pillars are driving our performance and will future proof our business as we look to the future with confidence.

"The Group enters 2025 with momentum across all business lines. Notwithstanding potential impacts to global trade, our business model continues to be highly capital generative for the coming year and beyond, supporting customer growth, business model investment and attractive shareholder returns."

Key 2024 highlights:
- €1.9 billion profit before tax
- Net interest income €3.565 billion, in line with guidance and supported by growth, particularly in Ireland; Irish loans +6% and deposits +2%
- Business income (including share of associates and JVs) +4% supported by strong Wealth and Insurance performance; fee income +6% and AuM +19% to €54.9 billion
- Adjusted RoTE of 16.8%; statutory RoTE of 14.1%
- Total distribution of €1.22 billion, up 6% versus 2023, comprising proposed ordinary dividend of €630 million (41% payout, equivalent to dividend per share of 63 cents and +5% versus 2023) and €590 million additional distribution via approved share buyback; total distribution equivalent to 80% of our earnings and 14% of our end-2024 market capitalisation
- Strong capital position with capital generation of 310 basis points; fully loaded CET1 ratio 14.6% reflecting prudent management of our balance sheet and the strategic allocation of our capital to reward our shareholders
- TNAV per share +8% to 1,043 cents
- Operating expenses €1.97 billion in line with guidance; cost to income ratio of 46%
- Non-core items of €275 million including UK motor finance provision of €172 million (£143 million)
- Significant improvement in asset quality with NPE ratio of 2.2% versus 3.1% December 2023
- Net credit impairment charge of €123 million (15bps)
- 32% increase in Sustainable Finance lending versus 2023 to €14.7 billion; on track to deliver c.€15 billion target by 2025. New CSRD disclosures significantly enhance our sustainability-related information for stakeholders

Customer and colleague outcomes
The Group continues to strengthen its relationship with customers and colleagues. New to bank customers increased by 5% while the Net Promoter Score, a key measure of customer satisfaction, increased by 11 points in the year. At the same time, complaints fell 21%, reflecting the improvements

the Group has made in a wide range of products and services including in its digital channels. For colleagues, the Culture Embedding Index, another key measure, is now above the Global Financial Services benchmark. We see further progress being delivered this year, with a range of investments underway to improve services, accelerate digitisation, protect customers from the risk of fraud, and enhance our ability to attract and retain talent.

Income
Net interest income in 2024 of €3.565 billion was supported by organic loan growth in Ireland, customer deposits increasing by 3%, and pricing discipline across all portfolios set against the impact of higher funding costs.

Business income of €764 million, including share of associates and joint ventures, was 4% higher than 2023. This primarily reflected growth in our Wealth and Insurance and Retail Ireland businesses. Across our Wealth and Insurance business, AuM increased by 19% to €54.8 billion with net inflows of €4 billion, equivalent to 9% of opening AuM.

Costs
The Group continues to maintain tight control over its cost base. Operating expenses have progressed in-line with expectations (6% higher in 2024), primarily reflecting inflation, increased pension costs and continued investment. This included an additional investment of €30 million in strategic growth and simplification opportunities to drive future efficiencies. Cost to income ratio was 46% in 2024.

Balance Sheet
The Group's loan book increased by €2.8 billion during 2024 to €82.5 billion, including a €3.2 billion increase across our Irish portfolios, a modest increase of €0.2 billion in Retail UK, partially offset by planned deleveraging in our international loan portfolios, primarily reflecting planned rundowns in Corporate GB and US CRE.

Our liquidity profile remains strong, supported by our retail franchise in Ireland. Customer deposits were €103.1 billion, €2.9 billion higher versus 2023, predominantly driven by higher Retail Ireland volumes of €1.5 billion.

The Group's liquid assets of €44 billion at December 2024 were relatively stable with wholesale funding of €10.9 billion, lower by €0.9 billion. On subordinated liabilities, the Group successfully issued €0.5 billion Tier 2 and refinanced €0.6bn of AT1 securities in 2024.

At December 2024, the Group's liquidity coverage ratio was 202% (December 2023: 196%), loan to deposit ratio was 80% (December 2023: 80%), and net stable funding ratio was 155% (December 2023: 157%).

Asset Quality
The Group has significantly improved its asset quality, with a reduction in its NPE ratio to 2.2% compared to 3.1% in December 2023. An underlying net credit impairment charge of €123 million (15 basis points of gross customer loans) arose in 2024. This charge reflected loan loss experience in the period, partially offset by a small release on model updates including macroeconomic assumptions, and a reduced quantum of management adjustments.

Capital Position
Our fully loaded CET1 capital ratio was 14.6% at December 2024. The Group's capital performance in 2024 benefitted from strong net organic capital generation of 310 basis points, partially offset by investment in RWA. Capital ratios also reflect the full impact of the Group's announced capital distributions of €1.2 billion, including the foreseeable cash dividend for 2024 of €630 million, and the approved share buyback of €590 million. Total distributions are up 6% versus 2023, equivalent to an 80% payout, up from 72% in 2023.

2025 guidance
2025 net interest income is expected to be greater than €3.25 billion. Business income in 2025 is expected to be c.5% higher than 2024, supported by continued growth in Wealth and Insurance. 2025 operating expenses are expected to be c.3% higher than 2024, with stable levies and regulatory charges expected. Non-core costs are expected to be €100-125 million. In 2025, subject to no material change in economic conditions or outlook, an impairment charge in the low to mid 20 basis points is expected. Adjusted RoTE of c.15% is expected in 2025.

Strong capital generation is expected to continue in 2025, with 250 to 270 basis points of organic capital generation. In addition, Basel IV implementation in 2025 is expected to benefit the CET1 ratio by c.110 basis points, up from our previous guidance of c.80 basis points. 2025 distributions expected to comprise a combination of a progressive ordinary dividend per share and share buybacks.

2026 & 2027 outlook
As we approach the last year in our strategic cycle, we are providing an update on our positive medium-term outlook to 2027, including:

- GDP growth in Ireland greater than 3% each year with an ECB deposit rate of 2%;
- Deposit growth of c.3% and loan growth of c.4% each year;
- AuM growth of 7-8% each year;
- Operating expenses of c.€2 billion each year, with a cost to income ratio less than 50%; and
- Adjusted RoTE building to greater than 17% by 2027, supporting capital generation of 250-270 basis points each year.

This outlook translates into net capital generation over 2025-2027 equivalent to c.45% of end December 2024 market cap, supporting a progressive DPS (40-60% payout), with surplus capital considered annually.

Ends

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

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