

**20
23**

**HY23
Debt Investor Presentation**

30 June 2023



**Bank of
Ireland**

Bank of Ireland

Overview

Strong strategic delivery

Financial performance

€1.0bn
PBT

- Net interest income +68% y/y, total business income +23% y/y
- Costs +12%, in line with guidance (like-for-like broadly flat)
- Strong liquidity with LDR of 79% and a 3% increase in customer balances
- Asset quality remains resilient

Strategic progress

+12%
Total customer
loans vs Dec
2022

- c.€2bn HNW customer migration from BOI Private to Davy Wealth; €8bn KBCI transaction
- Digitalisation and simplification of business model progressing at pace
- NPS at highest ever level; colleague engagement +3pts vs sector
- ESG - €1.5bn increase in sustainable lending since Dec 2022

Delivering annual financial targets

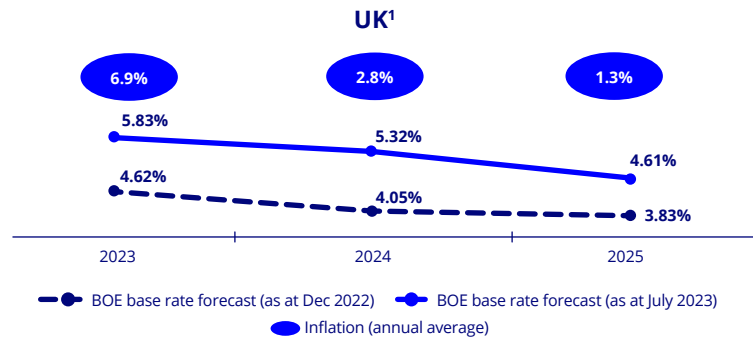
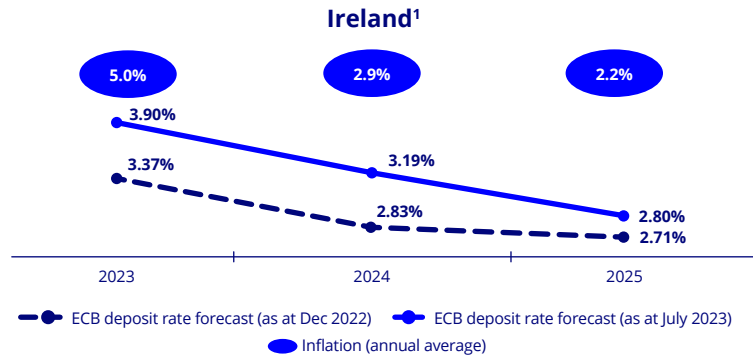
180bps
Strong net
organic capital
generation

- 18.5% ROTE (H122 7.0%)
- Cost-to-income ratio of 42% (H122 60%)
- Capital allocation strategy reflected in strong FL CET1 ratio of 14.8%
- Distribution decisions will be assessed at year end and informed by strong performance

Strategic management actions and business model development supporting improved financial performance

Irish economy growing; UK moderating

Shifting interest rate and inflation expectations



Irish macro backdrop remains supportive; Irish GDP expected to outperform EU by c.9ppts (cumulative) over 2023-2025²

	Ireland	UK
Unemployment	3.8% (June 2023)	4.0% (May 2023)
GDP (2023 expected)	5.4%	0.0%
House prices y/y	2.4% (May 2023)	1.9% (May 2023)

Geographically diversified balance sheet³



€49bn
(Customer Loans)



€42bn
(Wealth and Insurance AUM)



€25bn
(Customer Loans)








€7bn
(Customer Loans)

¹ Sources: ECB/BOE rate forecasts refer to year end rates derived from market pricing; inflation and GDP forecasts from external forecast consensus including CBol, Department of Finance, ESRI in Q2 2023

² IMF World Economic Outlook April 2023

³ Loan assets based on geographic location of customer

Business line performance

Irish Residential Mortgages	<p>+6%¹ Irish mortgage loan book growth (ex KBCI portfolio)</p>		<p>Commercially disciplined pricing decisions while market share grew to 41% (H122 24%);</p>
Everyday Banking	<p>+5% y/y Fee income growth</p>		<p>Increased customer activity combined with €2.6bn growth (vs end Dec 22) in Retail Ireland customer balances driving higher current account fee income</p>
Wealth and Insurance	<p>€1.2bn AUM net inflows (+28% y/y)</p>		<p>Strong net inflows supporting AUM growth (€42bn, +7% vs end Dec 22) despite market backdrop</p>
Business & Corporate	<p>+6% y/y Irish Business Banking and Corporate² new lending</p>		<p>Good Irish performance; cautious approach to international lending and commercial property given uncertain outlook</p>
Retail UK	<p>£117m PBT</p>		<p>Value over volume strategy increasing returns from higher NIM (+32bps) and smaller balance sheet</p>

¹ Annualised net book growth

² Excluding property and construction lending

ESG fundamental to our Sustainable strategy

Commitment to green transition
evidenced by tangible outcomes

Financial Wellbeing at the heart
of customer interactions

Colleague Engagement
and Diversity



c.€9.7bn

Sustainability related finance +€1.5bn in H1



UNPRB Financial Health
& Inclusion targets set in H1



66%

Colleague Engagement
Index¹ (+3pts vs sector)



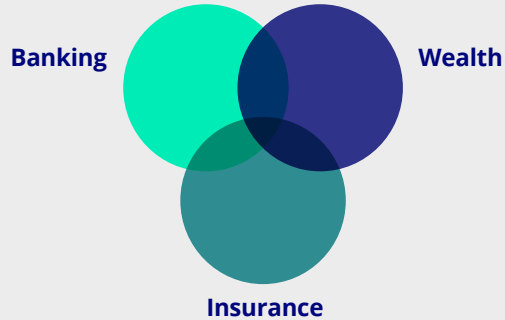
41%

Gender diversity
hires in H1

¹ éist Staff Culture Survey 2023

Creating value as The National Champion Bank

Differentiated business model



With market-leading brands serving > 4m customers



Operating in highly attractive markets

H1 2023 outperforming against 2023 - 2025 annual financial targets

2023-2025 Financial Targets

ROTE c.15%

CIR <50%

Dividend pay-out building to c.40% by 2024¹

Distribution of surplus capital considered annually

¹ 40-60% ordinary dividend pay out ratio in formal distribution policy provides flexibility. This pay out ratio excludes distributions of surplus capital, which will be considered annually

Operational Performance

H123 financial performance

	H1 2022 (€m) restated ¹	H1 2023 (€m)
Net interest income	1,072	1,802
Business income	273	350
Other income/expenses and valuation items	22	49
Total Income	1,367	2,201
Operating expenses	(811)	(907)
Levies and Regulatory charges	(95)	(110)
Operating profit pre-impairment	461	1,184
Net impairment charges	(47)	(158)
Share of associates / JVs	21	11
Underlying profit / (loss) before tax	435	1,037
Non-core Items	(84)	(12)
Profit before tax	351	1,025

	H1 2022 restated ¹	H1 2023
Net interest margin (NIM)	1.73%	2.96%
Cost income ratio ²	60%	42%
Earnings per share	23.9c	74.1c
Return on Tangible Equity (RoTE) – adjusted ³	7.0%	18.5%

- H123 performance reflects strategic actions, positive business momentum, higher interest rates and continued focus on efficiencies
- Operating profit pre-impairment reflects higher
 - Net interest income
 - Total business income⁴
 - Operating expenses; like-for-like broadly flat
- Net credit impairment charge (€158m); reflects cautious macroeconomic assumptions, portfolio activity and Day 1 effects from KBCI portfolio acquisition
- Cost to Income ratio of 42% reflects higher income and operating leverage
- Earnings per share 74.1c in H123 (H122 23.9c)

¹ Comparative figures restated for application of IFRS 17 on 1 January 2023

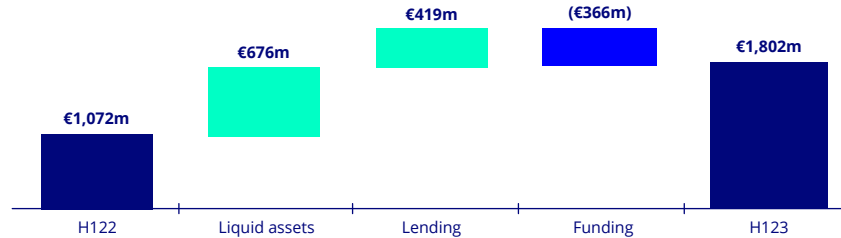
² See slide 52 for basis of calculation

³ See slide 51 for basis of calculation; H122 adjusted to include non core within calculation basis

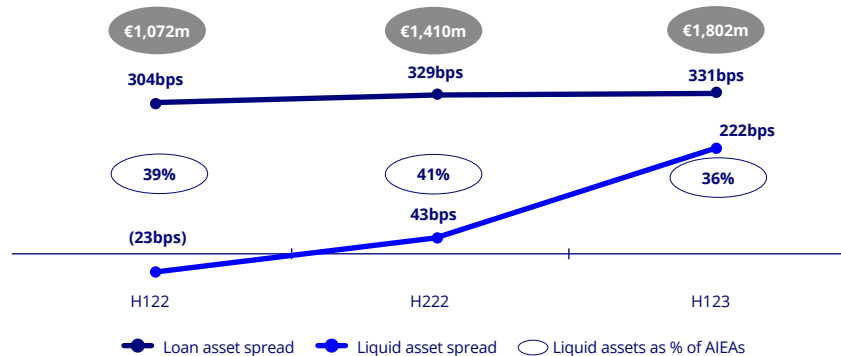
⁴ Including share of associates and JVs

NII guidance for 2023 upgraded

Net interest income movement



Net interest income¹



H123 Performance

- Net interest income (NII) growth primarily reflects higher rates, acquisitions and business momentum:
 - Liquid asset income supported by growing deposit franchise and higher rates
 - Lending income, with higher yields, Irish franchise momentum and KBCI transaction in Feb 2023 (€70m) all contributing
 - Partially offset by higher wholesale and deposit funding costs (including cessation of negative interest rate income)
- Pricing discipline maintained; loan asset spread 27bps higher vs H122

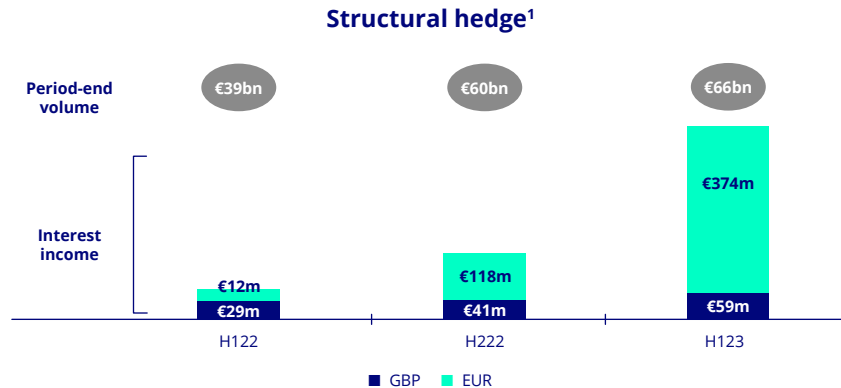
Outlook

- H2 NII expected to be modestly higher than H1, reflecting positive rate impacts² and business momentum, partially offset by higher funding costs

¹ Spread = Loan asset yield or Liquid asset yield less Group's average cost of funds, excludes NII impact from TLTRO

² Interest rate assumptions: ECB deposit rate of 3.75%, BOE base rate of 5.50% and Fed Funds rate of 5.00% at end-2023

Structural hedge and net interest income sensitivity



- Higher structural hedge volumes in H123 due to growth in customer current account balances
- Increased income in H123 reflects higher swap rates and volumes:
 - Average gross yield on fixed leg of structural hedge portfolio increased from 64bps in H222 to 134bps in H123; exit rate of 154bps end June 2023
- Average duration of hedge portfolio unchanged at c.3.5 years at Jun 2023; one seventh of the portfolio rolling annually
- NII sensitivity of €170m to HY23; reduction vs FY22 level of €270m reflects
 - higher assumed levels of pass through on liabilities, reflecting higher starting position on interest rates (3.5% ECB deposit rate Jun 2023 vs 2.0% Dec 2022)
 - increased structural hedge volumes
 - partially offset by balance sheet growth in the period
- Structural hedge enhances NII resilience while reducing NII sensitivity

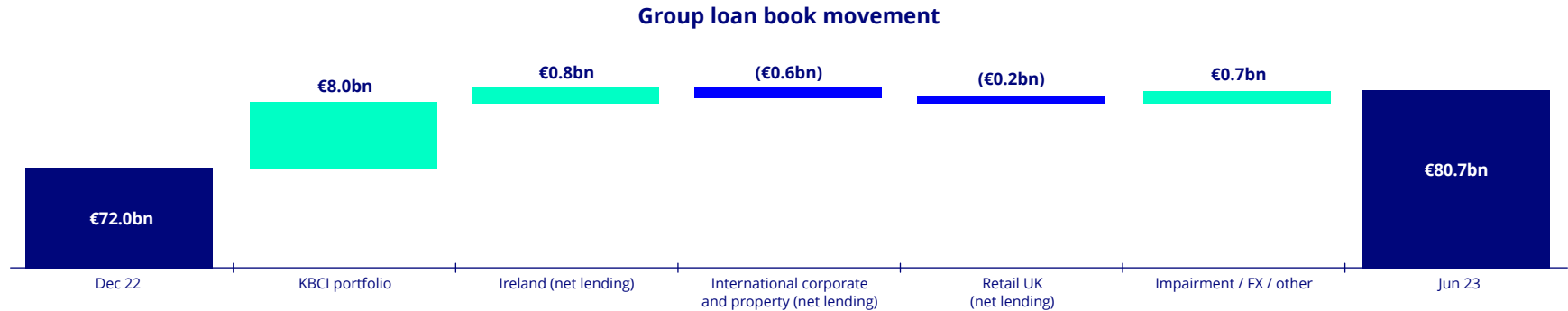
Illustrative NII sensitivity² to parallel shift in interest rates (annualised)

	EUR	GBP	USD	Total
+100bps	€130m	€25m	€15m	€170m
-100bps	(€255m)	(€40m)	(€20m)	(€315m)

¹ Gross interest income from fixed leg of hedging swap; the Group's fixed rate assets (e.g. fixed rate lending) are fully hedged for interest rate risk; these hedges partially offset the Group's structural hedge

² The sensitivity assumes (i) an instantaneous and parallel movement in all interest rates, with a starting point of an ECB deposit rate of 3.5%; (ii) a static balance sheet; (iii) assets and liabilities whose pricing is mechanically linked to market or central bank policy rates reprice immediately; (iv) certain other assumptions including pass throughs to assets and liabilities. The sensitivities should not be considered a forecast of future performance in rate scenarios as they do not capture potential management action in response to unexpected changes in the interest rate environment. Net interest income sensitivities will change depending on interest rate starting point

Loan book growth reflects acquisitions and Irish net lending



Loan book growth of 12% in H1

- KBCI portfolio of €8.0bn acquired in Feb 2023
- Net lending in Irish loan books (ex KBCI) of €0.8bn, primarily reflecting strong Irish mortgage new lending (+76% y/y) and modest growth in Irish corporate and business banking loans
- Reduction in international corporate and commercial property lending reflects cautious approach given uncertain outlook
- Pace of Retail UK deleveraging lower in H123 (H122 €2.0bn), reflecting agile response to market dynamics

Outlook

- Group loan book expected to grow in H2, supported by
 - continued growth in Ireland (primarily in residential mortgages)
 - partially offset by further modest deleveraging in UK and ongoing cautious approach to international corporate and property lending

Total business income¹ 23% higher

	H1 2022 (€m) restated	H1 2023 (€m)
Retail Ireland ²	71	74
Wealth and Insurance ³	80	166
Retail UK	(13)	(18)
Corporate and Markets ²	145	138
Group Centre and other	(10)	(10)
Business Income	273	350
Share of associates / JVs	21	11
Total Business Income incl. JVs	294	361
Other income / (expenses)	83	(1)
Valuation and other items	(61)	50
Other Income	316	410

H123 performance

- Retail Ireland reflects higher current account fee income and customer activity, partially offset by lower interchange fees
- Wealth and Insurance performance reflects
 - Six months' contribution of Davy in H123 (vs one month in H122)
 - Wealth and Insurance (ex-Davy) business momentum
- Retail UK expense primarily reflects partnership profit-sharing arrangement, with benefits reflected in net interest income
- Corporate & Markets fee income reduction reflects underlying business growth offset by impacts of cessation of business activity
- Valuation and other items reflect market movements

Outlook

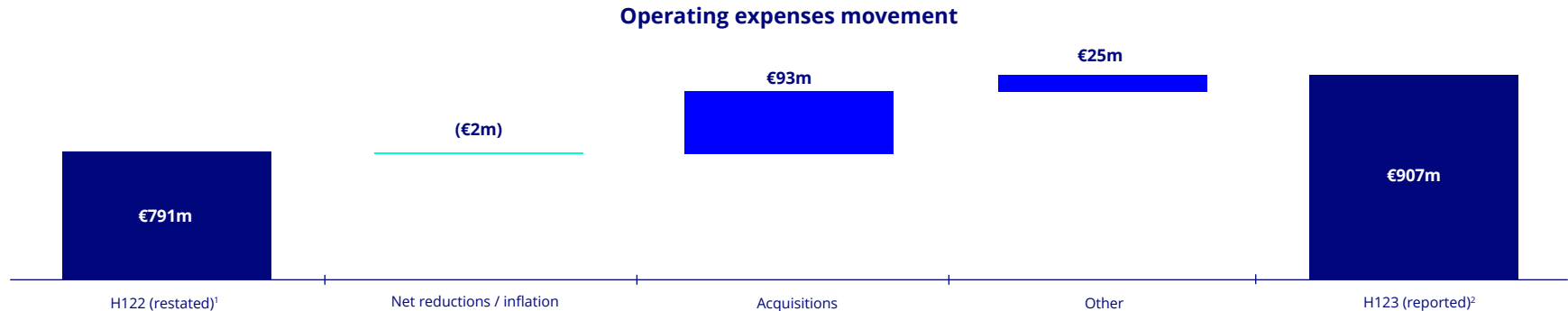
- H223 total business income¹ expected to be broadly in line with H123

¹ Including share of associates and JVs

² Comparative Corporate & Markets and Retail Ireland restated for transfer of Business Banking ROI from Retail Ireland into Corporate & Markets

³ Comparative Wealth and Insurance restated for application of IFRS 17

Operating expenses in line with guidance



H123 performance

- Net efficiencies and lower pension costs have been largely offset by inflation and investment impacts; like-for-like expenses¹ broadly in-line at €789m
- Acquisitions reflect Davy (acquired 1 Jun 2022), KBCI portfolios (acquired 3 Feb 2023), and one-off onboarding investment costs, now largely complete
- Other reflects accrual for variable pay, with payment performance related, and additional investment to drive future efficiencies

Non-core

- H1 non core costs of €12m

Outlook

- Operating expenses expected to be c.€1.85bn, in line with prior guidance
- Levies and regulatory charges expected to be c.€160m
- Non core items expected to be lower than 2022

¹ Reported costs in H122 were €849m; like for like figure of €791m excludes Davy and onboarding costs of €20m, and is restated for application of IFRS 17 (€38m)

² Operating expenses excluding levies and regulatory charges (H123 €110m)

Impairment charge of €158m in line with expectations

IFRS 9 models and management adjustments (PMAs)

(€28m) charge

- Charge of (€53m) related to model updates and updated IFRS 9 macroeconomic assumptions
- PMA gain of €25m (Jun 2023 stock of €35m) in relation to NPES earmarked for disposal

Loan loss experience and portfolio activity

(€130m) charge

- Charge of (€97m) from portfolio activity, reflecting net losses on case specific credit events
- Day 1 charge of (€17m) related to KBCI portfolio acquisition
- Additional assessment on affordability¹ of residential mortgage and consumer loan portfolios, reflecting higher interest rates (€16m net charge)

HY 2023

Prudent approach applied in setting macroeconomic assumptions²

30 June 2023	Ireland		United Kingdom	
	2023	2024	2023	2024
Probability Weighted Scenarios				
GDP growth	4.8%	3.6%	-0.4%	0.1%
Unemployment	4.6%	5.3%	4.5%	5.2%
Inflation	5.3%	3.2%	7.3%	3.1%
House Price Index	-6.5%	-2.4%	-9.6%	-5.4%
Commercial Real Estate prices	-11.1%	-8.0%	-8.8%	-7.1%

- Probability weighted scenarios used for provisioning apply more conservative assumptions vs central scenario (consensus of external forecasts)
- Weightings to downside scenarios increased by 5% to 45% vs Dec 2022

FY23 Outlook

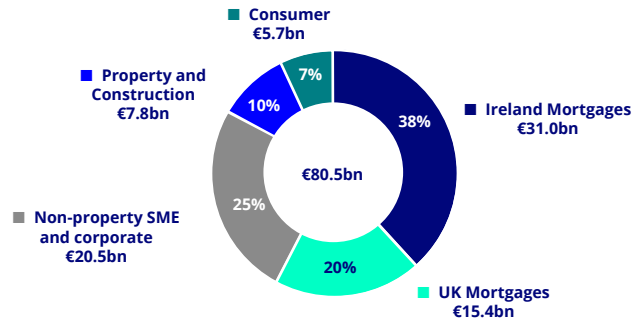
FY23 impairment charge expected to be mid-30s bps, subject to no material change in economic conditions or outlook

¹ SICR (Significant Increase in Credit Risk) assessment under IFRS 9. Total stock of SICR assessments included in ILA of residential mortgage and consumer portfolios of €28m

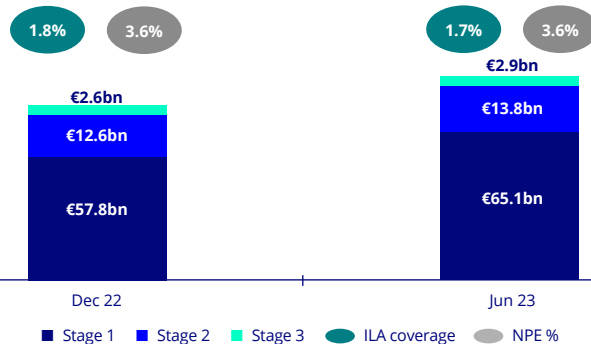
² See slide 46 for 2023-2027 macro-economic assumptions used in IFRS 9 models

Diversified loan book and strong asset quality

Group loan book segment mix (net)



Group loan asset quality



Considered approach to customer lending

- Disciplined credit underwriting approach based on adherence to prudent risk appetite, credit policies, and portfolio and single-name concentration limits

Loan book strongly collateralised

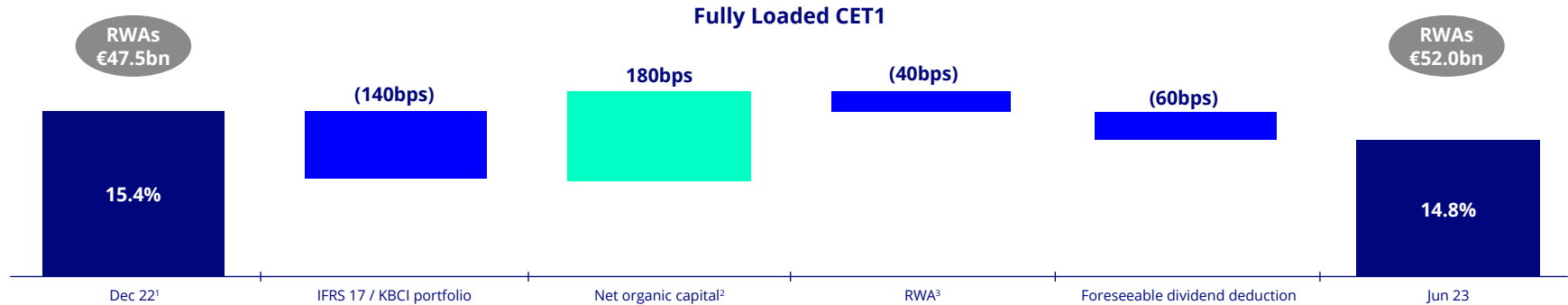
- Weighted average LTV of Ireland mortgages 53%; H123 new lending 76%
- Weighted average LTV of UK mortgages 56%; H123 new lending 71%
- Property and Construction portfolio c.10% of Group loan book; c.90% of CRE lending in investment property, weighted average LTV of 59%, c.70% in Ireland
- Non property SME and corporate includes acquisition finance book of c.€4.9bn with strong credit track record; CRT covers c.50% of this book

Prudent provisioning approach

- Coverage of 1.7%; reduction in H123 primarily reflects KBCI transaction
- Stage 2 loans increase of €1.2bn reflects model updates and SICR assessments
- NPE ratio stable vs Dec 2022 at 3.6%; KBCI transaction added €0.2bn in NPEs
- Ambition to further reduce NPE ratio

Capital, MREL & Liquidity

Net organic capital generation of 180bps



H1 performance

Outlook and Distributions

- Net organic capital generation of 180bps H123 (50bps H122)
- Foreseeable ordinary dividend deduction 33% of H123 statutory profit (FY22 25%)
- Fully loaded CET1 ratio of 14.8% vs CET1 guidance of >14%; Regulatory CET1 ratio of 15.0%; 405bps headroom to 2023 capital requirements
- RWAs increase of €4.5bn primarily reflects KBCI portfolio acquisition, CRT amortisation and loan book mix
- EBA stress test: peak CET1 depletion⁴ improved by 110bps vs 2021, reflecting management actions
- H223 net organic capital generation expected to be broadly similar to H123
- FY23 dividend and share buyback decisions will be assessed at year end and informed by strong performance

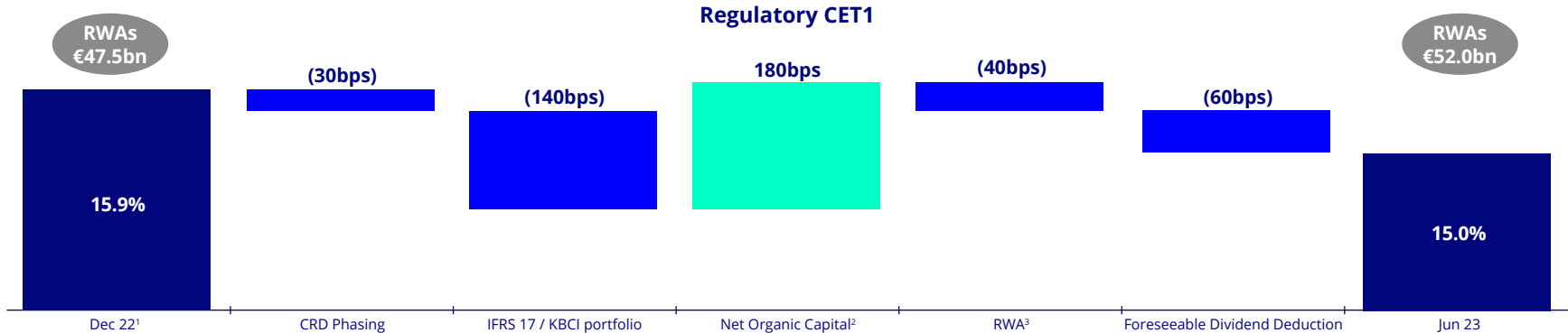
¹ Dec 2022 RWA and CET1 are restated in the HY23 interim report for the application of IFRS 17 on 1 Jan 2023 (Dec 2022 RWA restated to €46.8bn; Fully Loaded CET1 to 15.1%.) CET1 impact of (30bps) is captured in the CET1 walk above

² Net organic capital generation primarily consists of attributable profit after impairment and movements in regulatory deductions

³ RWA capital impacts from changes in loan book mix, asset quality and movements in other RWAs

⁴ Fully Loaded CET1 depletion from adverse scenario results of 2023 EBA stress test

Regulatory Ratios



Regulatory Capital Metrics	Dec 22	Jun 23
CET1 Ratio	15.9%	15.0%
<i>Tier 1 Items/ Instruments:</i>	2.1%	1.8%
Tier 1 Ratio	17.9%	16.8%
<i>Tier 2 Items/ Instruments:</i>	3.1%	2.9%
Total Capital Ratio	21.0%	19.7%
Risk Weighted Assets³	€47.5bn	€52.0bn
MREL Ratio	31.5%	31.0%⁴
Leverage Ratio	6.5%	6.5%

CET1

- Movement in Regulatory CET1 ratio broadly aligned with movement in fully loaded ratio

Tier 1 & Total Capital

- Reduction in Tier 1 and Total Capital ratios broadly aligned with reduction in CET1 ratio
- Tier 1 and Tier 2 buckets reduced by c.20bps to 1.87% and 2.9%

MREL

- MREL Ratio decreased 50bps over H123 (on a pro forma basis)
- MREL eligible senior debt issuance of €1.5bn⁵ in 2023; partially offset by redemption of €0.6bn

¹ Dec 2022 RWA and CET1 are restated in the HY23 interim report for the application of IFRS 17 on 1 Jan 2023 (Dec 2022 RWA restated to €46.8bn; Regulatory CET1 to 15.6%.) CET1 impact of (30bps) is captured in the CET1 walk above

² Net organic capital generation primarily consists of attributable profit after impairment and movements in regulatory deductions

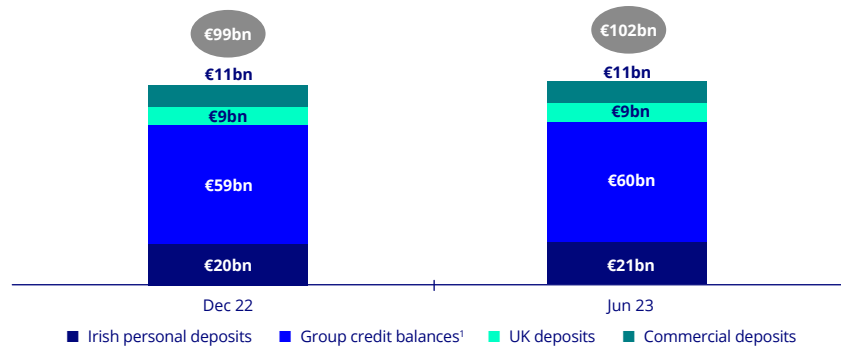
³ RWA capital impacts from changes in loan book mix, asset quality and movements in other RWAs

⁴ Includes MREL eligible senior debt issuance of €750m issued on 4 July 2023 and redemption of €600m on 10 July 2023

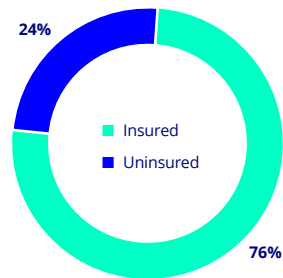
⁵ YTD issuance

Strong retail franchise and liquidity metrics

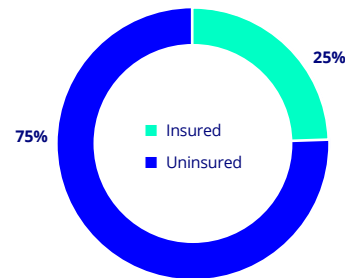
Growing retail deposit base



Personal deposits (€56bn)



Non personal deposits (€46bn)



Customer deposits

- Increase in volumes primarily due to growth in Retail Ireland of €2.6bn, including KBCI deposit portfolio; Q123 Irish household savings ratio at 12%²
- 53% of Group customer balances are insured, including 76% of personal customer balances; average Irish personal account balance of €16k
- Credit balances/current accounts c.60% of Group customer deposits
- Modest migration into term/regular saver products observed following price changes to date; expected to increase over current rate cycle

Strong funding and liquidity position

- LCR 193%; NSFR 153%; LDR 79% at Jun 2023³
- Liquid assets €44bn; primarily €31bn in central bank balances and €10bn in highly rated investment securities (interest rate exposure fully hedged)
- Ratings upgrade from S&P in Jun 2023 to BBB and from Fitch in July 2023 to BBB+

¹ Includes personal and non personal credit balances in ROI (€55bn) and UK (€5bn)
² Source: CSO, Q1 household incomes and spending; four quarter moving average, seasonally adjusted
³ Dec 2022 comparatives: LCR 221%, NSFR 163%, LDR 73%

Balance sheet

	Dec 22	Jun 23
Customer loans	72	81
Liquid assets	49	44
Other assets	30	31
Total assets	151	156
Customer deposits	99	102
Wholesale funding	11	12
Shareholders' equity	12	12
Other liabilities	29	30
Total liabilities	151	156
TNAV per share	€8.63	€9.24

	Dec 22	Jun 23
Liquidity Coverage Ratio	221%	193%
Net Stable Funding Ratio	163%	153%
Loan-to-deposit ratio	73%	79%

Funding & Liquidity

- Liquid assets reduced by c.€5bn; primarily due to the loan and deposit acquisitions from KBCI of c.€6bn, partially offset by higher wholesale funding volumes of €0.8bn and higher customer deposit volumes of €0.3bn (constant currency basis excluding the KBCI deposit acquisition)
- LDR increased (73% to 79%), NSFR reduced (163% to 153%) and LCR decreased (221% to 193%); the changes in all three ratios primarily reflect the impact of the KBCI transaction

Customer deposits: €101.7bn

- Growth of €2.5bn predominantly driven by KBCI transaction and growth in Irish franchise, partially offset by lower Retail UK deposits arising from deleveraging in line with strategy

Wholesale funding: €12.1bn

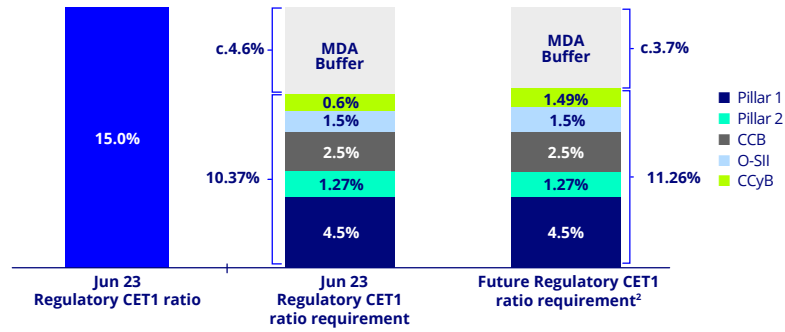
- €0.8bn higher than Dec 2022 due to MREL eligible senior debt issuance in Jan 2023
- Capital and MREL requirements primary driver of new wholesale funding

Tangible Net Asset Value

- TNAV increased by 7% from Dec 2022 to €9.24, primarily reflecting retained profits in the period, partially offset by FY22 distributions

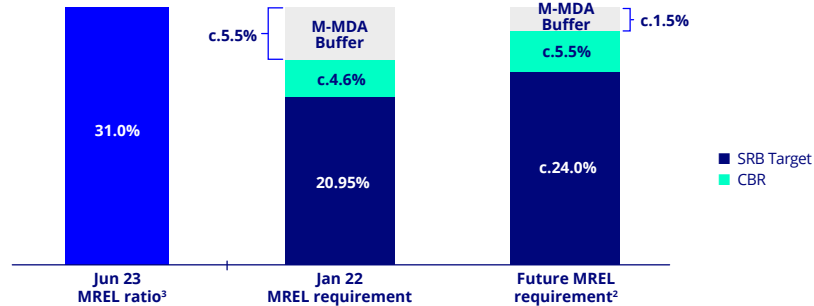
Significant buffer to potential MDA¹ restrictions

Regulatory CET1 ratio vs. MDA Threshold



- Regulatory CET1 ratio of 15.0% at Jun 2023
 - Continued phase-in of existing transitional adjustments expected to consume c.25bps per annum in 2023/2024
 - Completion of KBCI transaction and transition to IFRS17 consumed c.140bps in Q1 2023
- Jun 2023 Regulatory CET1 ratio provides a buffer of c.4.6% to Jun 2023 MDA threshold and c.3.7% over future MDA threshold
- Future regulatory CET1 requirement reflects phase-in of UK CCyB (2% from Jul 2023) and ROI CCyB (1% from Nov 2023; 1.5% from Jun 2024)
- Pro forma Jun 2023 MREL ratio of 31.0%³ (12.1% on a leverage basis) provides a buffer of c.5.5% to current MREL-MDA threshold
- Future MREL RWA requirement expected to increase to c.29.5%, reflecting phase-in of CCyB requirements into MREL requirement
- MREL requirement of 7.6% on a leverage basis
- MREL eligible senior debt issuance of c.€1bn-€2bn p.a. anticipated; €1.5bn issued in 2023

MREL ratio vs. MREL-MDA Threshold



¹ The Maximum Distributable Amount (MDA) is determined as a percentage of attributable profits earned in the period to which the buffer breach and MDA calculation pertains, and will vary depending on the extent of the breach of the CBR which is measured in quartiles (bottom quartile – 0%, second quartile – 20%, third quartile – 40% and top quartile – 60% of profits)

² Future capital and MREL requirements reflect increase in ROI CCyB to 1.5% and UK CCyB at 2%. The CBI confirmed the increase in the ROI CCyB to 1.5% in June 2023 (effective June 2024). This is expected to increase capital requirements by c.30bps

³ Includes MREL eligible senior debt issuance of €750m issued on 4 July 2023 and redemption of €600m on 10 July 2023

Risk Weighted Assets (RWAs) / Leverage ratio

Customer lending average credit risk weights – Jun 2023^{1,2}

(Based on regulatory exposure class)

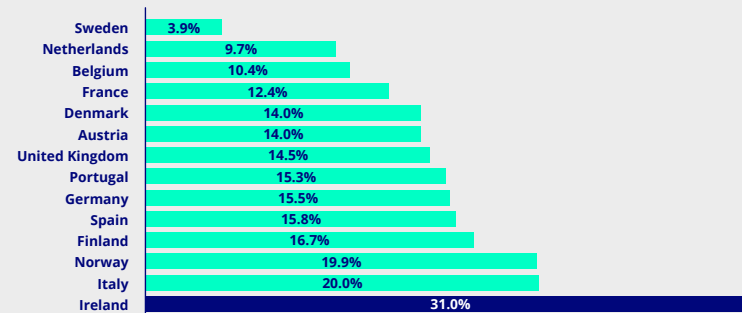
	EAD ³ (€bn)	RWA (€bn)	Avg. Risk Weight
Ireland Mortgages	30.9	8.1	26%
UK Mortgages	16.2	3.6	22%
SME	15.7	11.6	74%
Corporate	12.6	11.5	91%
Other Retail	6.9	5.1	74%
Customer lending credit risk	82.3	39.8	48%

- IRB approach accounts for:
 - 54% of credit EAD (Dec 2022: 55%)
 - 66% of credit RWA (Dec 2022: 70%)

EBA Transparency Exercise 2022

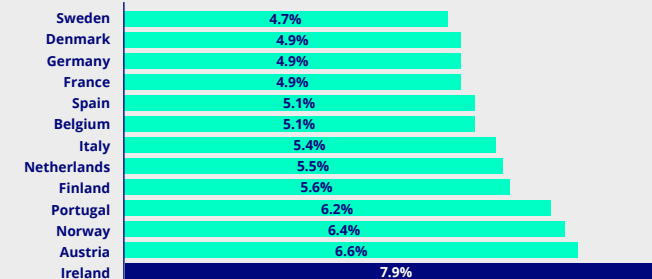
Country by Country Average IRB risk weights

Residential Mortgages – Jun 2022



EBA Risk Dashboard – Jun 2022

Country by Country Average Regulatory Leverage ratios



¹ EAD and RWA include both IRB and Standardised approaches and comprise both non-defaulted and defaulted loans

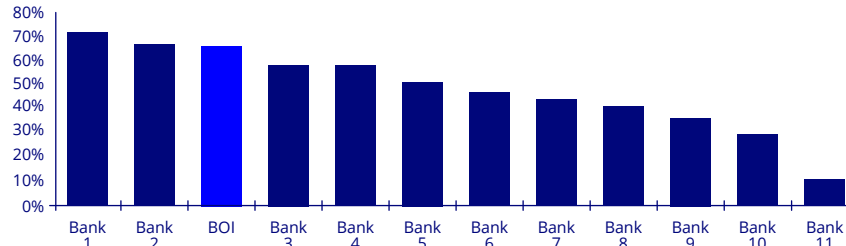
² Securitised exposures are excluded from the table (i.e. excludes exposures included in CRT transactions)

³ Exposure at default (EAD) is a regulatory estimate of credit risk exposure consisting of both on balance exposures and off balance sheet commitments

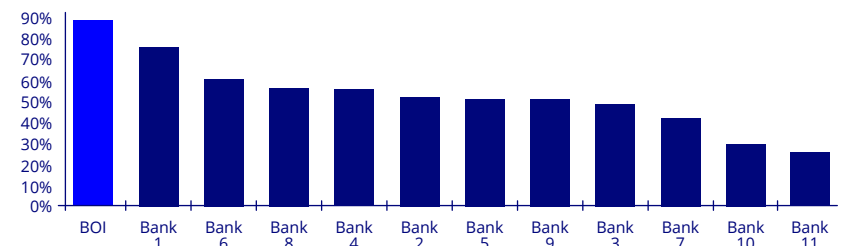
EBA Transparency Exercise 2022¹

Bank of Ireland's IRB RWA density across major loan portfolios exceeds a wide distribution of European peers

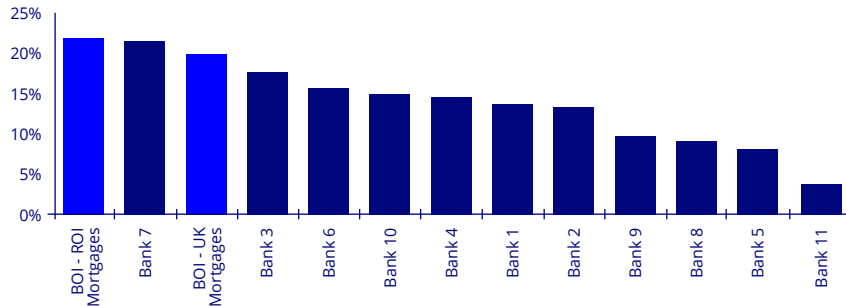
IRB RWA: SME Lending²



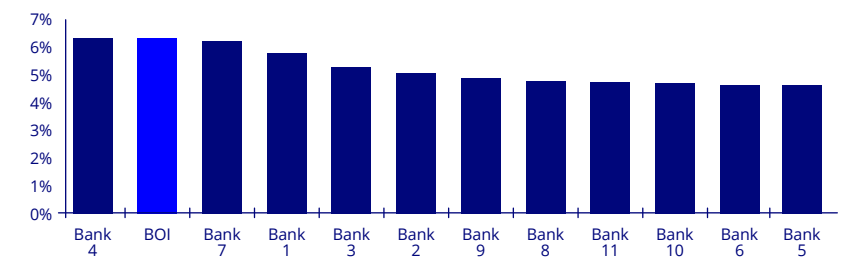
IRB RWA: Corporate Lending³



IRB RWA: Domestic Mortgage Lending⁴



Leverage Ratio (Regulatory Basis)⁵



¹ Charts represent 30 June 2022 figures published by the EBA for ABN AMRO, Banco Comercial Português, Groupe BPCE, CaixaBank, Commerzbank, Danske Bank, DNB Bank ASA, Erste Group, Intesa Sanpaolo, KBC Group, Svenska Handelsbanken

² Credit Risk IRB Approach Risk Exposure Amount divided by Exposure Value for "Corporates - Of Which SME" at 30 June 2022

³ Credit Risk IRB Approach Risk Exposure Amount divided by Exposure Value for "Corporates - Excluding SME & Specialised Lending" at 30 June 2022

⁴ Credit Risk IRB Approach Risk Exposure Amount divided by Exposure Value for "Retail - Secured on Real Estate Property - SME" and "Retail - Secured on Real Estate Property - Non SME" at 30 June 2022

⁵ "Leverage Ratio - Using a transitional definition of Tier 1 Capital" at 30 June 2022

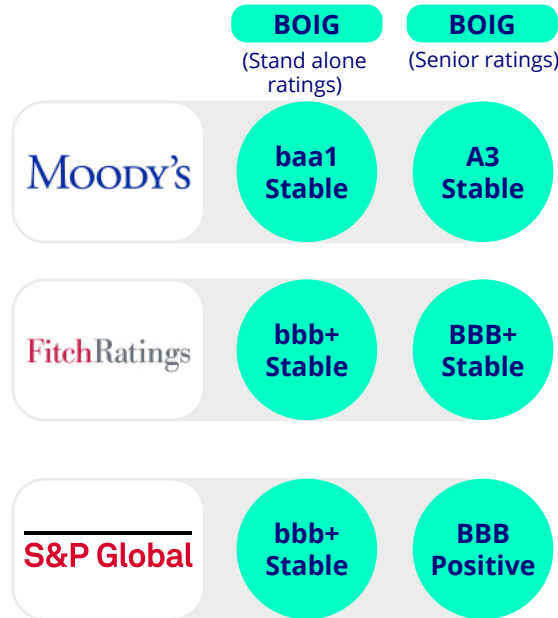
Regulatory capital requirements

Pro forma CET1 regulatory capital requirements	2022	2023	2024
Pillar 1 - CET1	4.50%	4.50%	4.50%
Pillar 2 Requirement (P2R)	1.27%	1.27%	1.27%
Capital Conservation Buffer (CCB)	2.50%	2.50%	2.50%
Ireland Countercyclical buffer (CCyB)	0.00%	0.62%	0.93%
UK Countercyclical buffer (CCyB)	0.26%	0.53%	0.53%
US and Other	0.01%	0.03%	0.03%
O-SII Buffer	1.50%	1.50%	1.50%
Systemic Risk Buffer - Ireland	-	-	-
Pro forma Minimum CET1 Regulatory Requirements	10.04%	10.95%	11.26%
Pillar 2 Guidance (P2G)	Not disclosed in line with regulatory preference		

Regulatory capital requirements

- The Group is required to maintain a CET 1 ratio of 10.37% on a regulatory basis at Jun 2023, increasing to 10.95% from Dec 2023 and 11.26% in Dec 2024 (excluding P2G)
- 2023 requirements include the phase-in of (i) the ROI CCyB to 0.5% from Jun 2023 and to 1% from Nov 2023; and (ii) the UK CCyB to 2% from Jul 2023
- 2024 requirements include the increase of the ROI CCyB from 1% to 1.5% from Jun 2024
- CET1 headroom of c.405bps to Dec 2023 regulatory capital requirements of 10.95%
- Regulatory total capital ratio of 19.7% at Jun 2023 provides headroom of c.425bps above 2023 total capital requirement of 15.43%

Credit ratings



Instrument ratings

	Moody's			FitchRatings		S&P Global	
	BOIG	GovCo	BOIMB (ACS) ¹	BOIG	GovCo	BOIG	GovCo
Investment Grade	Aaa	Aaa	Aaa C	AAA	AAA	AAA	AAA
	Aa1	Aa1	Aa1	AA+	AA+	AA+	AA+
	Aa2	Aa2	Aa2	AA	AA	AA	AA
	Aa3	Aa3	Aa3	AA-	AA-	AA-	AA-
	A1	A1 S	A1	A+	A+	A+	A+
	A2	A2	A2	A	A	A	A S
	A3 S	A3	A3	A-	A- S	A-	A-
	Baa1	Baa1	Baa1	BBB+ S	BBB+	BBB+	BBB+
	Baa2 T2	Baa2	Baa2	BBB	BBB	BBB S	BBB
	Baa3	Baa3	Baa3	BBB- T2	BBB-	BBB-	BBB-
Sub Investment Grade	Ba1 AT1	Ba1	Ba1	BB+	BB+	BB+ T2	BB+
	Ba2	Ba2	Ba2	BB AT1	BB	BB	BB
	Ba3	Ba3	Ba3	BB-	BB-	BB- AT1	BB-
	B1	B1	B1	B+	B+	B+	B+
	B2	B2	B2	B	B	B	B
	B3	B3	B3	B-	B-	B-	B-
	(...)	(...)	(...)	(...)	(...)	(...)	(...)

Legend:
C Covered bond S Senior unsecured T2 Tier 2 AT1 Additional Tier 1

¹ BOIMB is the Group's issuer of Irish Covered Bonds (ACS). Moody's has not assigned an issuer rating to BOIMB

Summary highlights

Capital

- Strong net organic capital generation of 180bps in H1 2023; expected to be broadly similar in H2
- CET1 ratio comfortably above CET1 guidance of > 14%
- Tier 2 index eligible following rating actions; Future capital issuance influenced by market conditions and refinancing/ growth

RWA

- IRB RWA density across largest customer loan portfolios continues to exceed a wide distribution of European peers
- RWA density offers potential mitigation against future implementation of Basel IV

MREL

- Pro forma MREL ratio of 31.0% at Jun 2023¹. Future MREL requirement expected to increase to c.29.5%
- MREL eligible senior debt issuance of c.€1bn-€2bn p.a. anticipated; Green bonds will continue to form part of capital and MREL issuance

Economy

- Ireland is set to be the EU's fastest growing economy for the fourth successive year with inflation moderating
- Economic environment remains supportive; both Ireland and the UK have essentially full employment

Asset Quality

- Asset quality remains resilient; prudent coverage levels of 1.7% at Jun 2023
- The Group's NPE ratio is unchanged from Dec 2022 at 3.6% following a material reduction in FY22; ambition to further reduce NPE ratio

¹ Includes MREL eligible senior debt issuance of €750m issued on 4 July 2023 and redemption of €600m on 10 July 2023.

Green Bond Framework





Green Bond Framework

Green Bonds are an important part of the Group's Responsible and Sustainable Business Strategy as we look to finance our customers' transition to the low carbon economy and take an active role in combating climate change through sustainable finance.

Key Features

- Aligned to the Green Bond Principles published by ICMA in 2018
- Second Party Opinion provided by Sustainalytics
- The Group will allocate an equivalent amount of the net proceeds to lending to eligible Green assets
- The Framework caters for secured, senior and subordinated issuance
- A 'lookback' period of 36 months has been applied to the Green Eligible Assets Portfolio

ESG Ratings

	ESG Risk rating 20.1 (Medium Risk). Places the Group in the top 23rd percentile of Banks (Industry Group)
	A (average)
	B (management level)
	48

Green Bond Framework Pillars

1 Use of Proceeds

- An amount equivalent to net proceeds will be allocated to finance/ refinance:
 - Green Buildings & Energy Efficiency
 - Renewable Energy
 - Clean Transportation

2 Project Evaluation and Selection Criteria

- Green Bond Working Group is responsible for the evaluation and selection of assets for inclusion in the Green Eligible Assets Portfolio
- The portfolio is reviewed on a quarterly basis with loans no longer meeting eligibility criteria being removed

3 Management of Proceeds

- Net proceeds will be managed on a portfolio basis
- The Group will ensure that the balance of the Green Eligible Assets Portfolio matches or exceeds the total balance of Green bonds outstanding

4 Reporting & External Review

- Allocation Report – is published alongside independent external verification
- Impact Report – the Group provides investors with an impact report on the assets within the Green Eligible Assets Portfolio
- First published in March 2022 and annually thereafter

Use of proceeds

Green Bond Principles
Eligible Category

Eligibility Criteria

Impact

UN SDG

**Green Buildings
& Energy
Efficiency –
Residential**

- Residential property with an energy efficiency rating within the Top 15% in Ireland, equivalent to BER of 'B3' or better
- Residential property with a date of construction of 2015 or later
- New buildings where the net primary energy demand of the new construction is at least 20% lower than the primary energy demand resulting from the relevant NZEB requirements; and/or:
- Renovations to residential property achieving savings in net Primary Energy Demand of at least 30%

Annual energy efficiency improvements, MWh

tCO2e avoided



**Green Buildings
& Energy
Efficiency -
Commercial**

- Commercial property in Ireland, UK and US holding a BREEAM 'Outstanding' or 'Excellent' or LEED 'Platinum' or 'Gold' Certification
- Net primary energy demand of the new construction is a Commercial property belonging to the top 15% of buildings in Ireland and UK, in terms of energy efficiency¹
- New commercial property where at least 20% lower than the primary energy demand resulting from the relevant NZEB requirements, and/or:
- Renovations to commercial property where the renovation achieves savings in net Primary Energy Demand of at least 30%

Annual energy efficiency improvements, MWh

tCO2e avoided



**Renewable
Energy**

- Renewable energy generation facilities including onshore and offshore wind, solar and geothermal

Renewable energy capacity added, MW
tCO2e avoided



**Clean
Transportation**

- Financing of the purchase, manufacture and operation of Battery Electric Vehicles and electrically-powered public transport systems, and the infrastructure that supports clean transportation

tCO2e avoided



¹ As determined by reference to established energy performance benchmarks. Bank of Ireland anticipates drawing on the most current dataset available at the time of the allocation process (including datasets compiled by any retained technical consultants). As average building energy efficiencies and related datasets improve, relevant benchmarks and determinations involving proxies (e.g. Building Energy Ratings) will be updated accordingly.

Green Bond Allocation Report - 31 December 2022

Green Eligible Assets Portfolio			Green Liabilities			
Eligibility Criteria	Number of Loans	Amount (EUR)	ISIN	Settlement Date	Maturity Date	Amount (EUR)
Green Buildings - Residential	15,389	5,402,836,557	XS2311407352	10-Mar-21	10-May-27 ¹	750,000,000
Green Buildings - Commercial	16	667,685,594	XS2340236327	11-May-21	11-Aug-31 ²	500,000,000
Renewable Energy	8 ³	186,053,349	XS2528657567	06-Sep-22	06-Dec-32 ⁴	338,850,000 ⁵
Clean Transportation	2,878	68,261,507	XS2532384372	16-Sep-22	16-Sep-26 ⁶	934,100,000 ⁵
Total	18,291	6,324,837,007⁶	Total			2,522,950,000

- Total Green Eligible Assets Portfolio⁷ : **€6,324,837,007**
- Amount of Proceeds allocated to Green Eligible Assets Portfolio : **€2,522,950,000**
- Percentage of Proceeds allocated to Green Eligible Assets Portfolio : **100%**
- Unallocated Green Eligible Portfolio Assets : **€3,801,887,007**
- New eligible loans added since 31 December 2021 : **€2,812,299,971⁸**

Amount of Green Eligible Assets outstanding as at 31 December 2022. Criteria as outlined in Bank of Ireland Green Bond Framework.⁷

¹ Optional Redemption Date of 10-May-2026

² Optional Redemption Period from 11-May-2026 to 11-Aug-2026

³ Ireland only

⁴ Optional Redemption Period from 06-Sep-2027 to 06-Dec-2027

⁵ Euro equivalent amount (Exchange rate of 30 December 2022; GBP 1 = EUR 1.1295, USD 1 = EUR 0.9341)

⁶ Optional Redemption Date of 16-Sep-2025

⁷ <https://investorrelations.bankofireland.com/app/uploads/Green-Bond-Framework-March-2021.pdf>

⁸ Represents new loans added to the portfolio since Dec 2021, resulting in a net increase of €2,197,371,624

Outlook

2023 guidance upgraded

Income

NII in H223 expected to be modestly higher than H123

Total business income¹ in H223 expected to be broadly in-line with H123

Operating expenses

FY23 operating expenses expected to be c.€1.85bn

ROTE

FY23 expected to be similar to H123

Cost of risk

FY23 impairment charge expected to be mid 30s bps, subject to no material change in economic conditions or outlook

Capital and distributions

H223 net organic capital generation expected to be broadly similar to H123

FY23 dividend and share buyback decisions will be assessed at year end

¹ Including share of associates and JVs

Appendix

Appendix

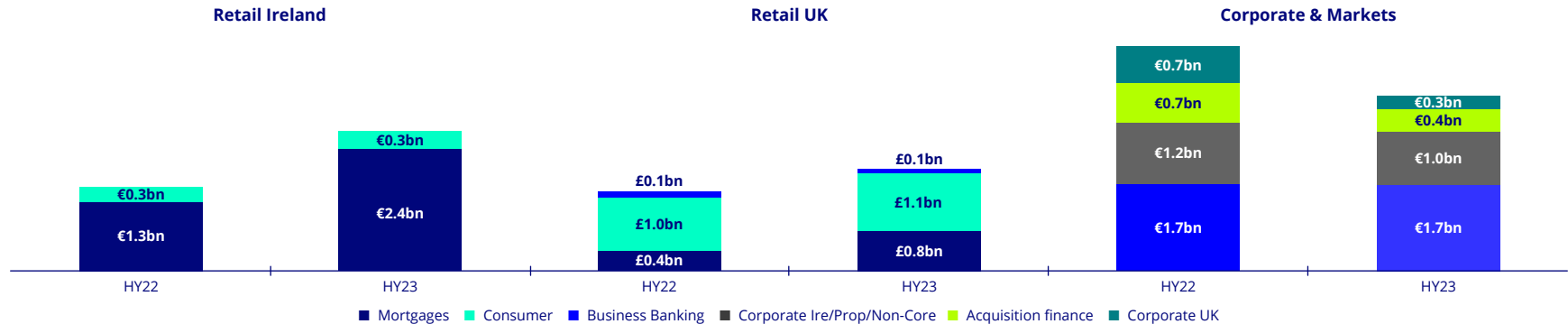
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Overview of customer loans

Profile of customer loans¹ at Jun 2023 (Gross)

Composition (Jun 23)	Ireland (€bn)	UK (€bn)	RoW (€bn)	Total (€bn)	Total (%)
Mortgages	31.2	15.5	0.0	46.7	57%
Non-property SME and corporate	10.8	5.1	5.4	21.2	26%
Property and Construction	5.0	1.2	1.7	7.9	10%
Consumer	2.3	3.6	0.0	5.9	7%
Customer loans (gross)	49.3	25.4	7.1	81.8	100%
Geographic (%)	60%	31%	9%	100%	

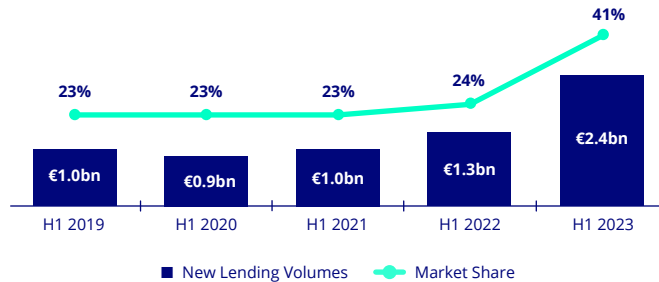
Gross new lending volumes



¹ Based on geographic location of customer

Ireland mortgages: €31bn

New Lending Volumes and Market Share



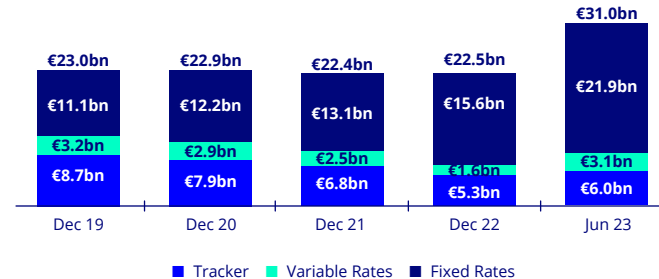
Pricing strategy

- Fixed rate led mortgage pricing strategy which provides value, certainty and stability to our customers and to the Group
- Fixed rate products accounted for c.98% of our new lending in H1 2023, up from c.30% in 2014
- 70% of fixed rate mortgage book does not rollover until 2025 or later

Distribution strategy – continued expansion into broker channel

- The Group has continued building out The Mortgage Store broker channel in 2023, establishing a large network of active brokers at a national level

Ireland Mortgages (gross)



LTV profile

- Average LTV of 53% on mortgage stock at Jun 2023 (Dec 2022: 51%)
- Average LTV of 76% on new mortgages in H123 (2022: 72%)

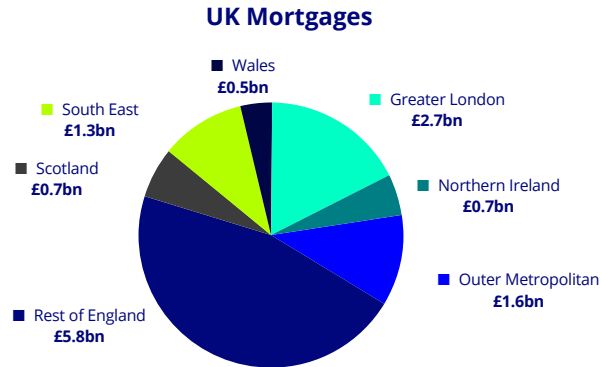
Tracker mortgages

- 86% of trackers are owner occupier mortgages; 14% of trackers are Buy-to-Let (BTL) mortgages

Macroprudential rules

- c.63% of mortgage book originated since introduction of Central Bank of Ireland macroprudential rules in 2015
- Weighted average LTV for pre-2015 mortgages is c.40%

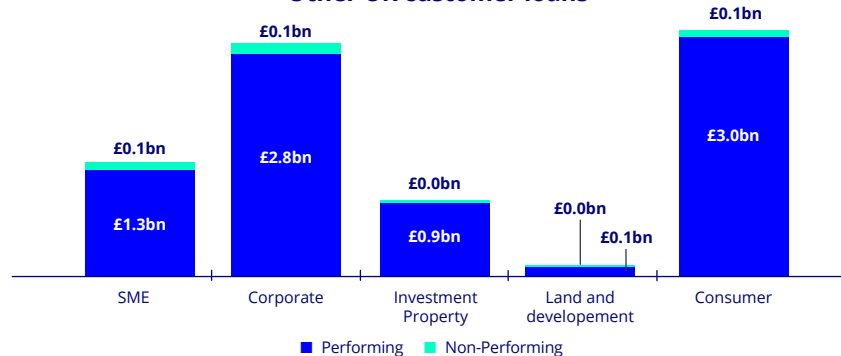
UK customer loans £21.8bn (€25.4bn)¹



UK Mortgages Analysis – £13.3bn

- Total UK mortgages of £13.3bn; (NPEs: 2.4%):
 - Average LTV of 56% on existing stock at Jun 2023
 - Average LTV of 71% on new UK mortgages in H123
- 67% of the current mortgage portfolio originated since 2010, of these 78% are standard owner occupier mortgages; 70% of owner occupied mortgage book on fixed rates, 27% maturing in the next 12 months
- BTL book (£4.7bn) is well seasoned with 60% originated prior to Jan 2010; £2.0bn of this book on fixed rates, 23% maturing in the next 12 months; average LTV on BTL portfolio of 50% at Jun 2023

Other UK customer loans



Other UK Customer Loans Analysis - £8.5bn

- SME: relationship originated book from NI franchise; broad sectoral diversification with low concentration risk
- Corporate: specialist lending teams through a focused sector strategy; corporate lending primarily focused on FTSE and AIM listed companies
- Investment Property: average LTV 61%
- Consumer (£3.1bn):
 - Northridge (£1.9bn): Asset backed motor finance business; mid-market targeting prime business only; below average industry arrears and loan losses
 - Personal loan volumes (£1.2bn): cautious approach given macro backdrop

¹ Based on geographic location of customer

Income statement

Net interest income analysis

	H2 2021			H1 2022			H2 2022			H1 2023		
	Average Volumes (€bn)	Gross Interest (€m)	Gross Rate (%)	Average Volumes (€bn)	Gross Interest (€m)	Gross Rate (%)	Average Volumes (€bn)	Gross Interest (€m)	Gross Rate (%)	Average Volumes (€bn)	Gross Interest (€m)	Gross Rate (%)
Ireland Loans ¹	23.2	315	2.69%	23.2	306	2.66%	23.6	375	3.16%	30.7	561	3.69%
UK Loans	26.8	365	2.70%	25.0	368	2.97%	22.6	362	3.17%	20.6	422	4.13%
C&M Loans	27.2	504	3.68%	27.8	518	3.75%	28.8	643	4.42%	27.6	612	4.47%
Total Loans and Advances to Customers²	77.2	1,184	3.04%	76.0	1,192	3.16%	75.0	1,380	3.65%	78.9	1,595	4.08%
Liquid Assets ³	46.2	(32)	(0.14%)	49.3	(28)	(0.11%)	52.2	210	0.80%	43.8	648	2.99%
Total Interest Earning Assets	123.4	1,152	1.85%	125.3	1,164	1.87%	127.3	1,590	2.48%	122.7	2,243	3.69%
Ireland Deposits ¹	22.5	9	0.08%	22.9	11	0.09%	24.6	1	0.01%	27.2	(8)	(0.06%)
Credit Balances ⁴	50.2	26	0.10%	53.2	32	0.12%	58.1	5	0.02%	60.1	(0)	(0.00%)
UK Deposits	14.3	(28)	(0.38%)	12.4	(17)	(0.28%)	10.0	(22)	(0.44%)	8.8	(60)	(1.38%)
C&M Deposits	3.9	4	0.20%	4.1	3	0.15%	4.8	(11)	(0.44%)	4.3	(27)	(1.25%)
Total Deposits	90.9	11	0.02%	92.7	29	0.06%	97.6	(27)	(0.05%)	100.5	(95)	(0.19%)
Wholesale Funding ^{3,5}	20.4	(41)	(0.40%)	21.3	(61)	(0.58%)	19.5	(150)	(1.53%)	11.9	(281)	(4.78%)
Subordinated Liabilities	1.9	(32)	(3.29%)	2.0	(35)	(3.65%)	1.8	(46)	(4.98%)	1.7	(58)	(6.67%)
Total Interest Bearing Liabilities	113.3	(61)	(0.11%)	116.0	(68)	(0.12%)	118.9	(223)	(0.37%)	114.1	(434)	(0.77%)
Other ^{3,6}		48			(24)			43			(7)	
Net Interest Margin as reported	123.4	1,139	1.83%	125.3	1,072	1.73%	127.3	1,410	2.20%	122.7	1,802	2.96%
Average ECB rate			0.00%			0.00%			1.23%			3.31%
Average 3 month Euribor			(0.56%)			(0.44%)			1.12%			3.00%
Average BOE rate			0.11%			0.71%			2.22%			4.15%
Average SONIA			0.06%			0.64%			2.15%			4.08%

¹ Ireland Loans reflect the transfer of BBROI loans into Corporate & Markets; BBROI deposits remain in Ireland Deposits

² Income and expense from derivatives in hedging relationships is allocated within 'Loans and Advances', this approach has been updated (including prior year periods) to better allocate the hedging on each portfolio

³ Volume impact of TLTRO included in liquid assets and wholesale funding; Income impact (€16m) of TLTRO in H122 and €51m in H222 included in Other

⁴ Credit balances in H123: ROI €49.4bn, UK €4.9bn, C&M €5.8bn;

⁵ Includes impact of credit risk transfer transactions executed in Dec 2019, Oct 2021 and Dec 2021

⁶ Includes IFRS 16 lease expense, interest on certain FVPTL items

Non-performing exposures by portfolio

Composition (Jun 23)	Advances (€bn)	Non-performing exposures (€bn)	Non-performing exposures as % of advances	Impairment loss allowance (€bn)	Impairment loss allowance as % of non-performing exposures
Residential Mortgages	46.7	0.9	1.9%	0.2	23%
– Republic of Ireland	31.2	0.6	1.7%	0.1	23%
– UK	15.5	0.4	2.5%	0.1	23%
Non-property SME and corporate	21.2	1.5	6.9%	0.8	52%
– Republic of Ireland SME	7.3	0.5	7.2%	0.3	63%
– UK SME	1.7	0.1	7.0%	0.1	60%
– Corporate	12.3	0.8	6.6%	0.4	43%
Property and construction	7.9	0.4	5.0%	0.2	43%
– Investment	7.0	0.4	5.5%	0.2	42%
– Land and development	1.0	0.0	2.0%	0.0	49%
Consumer	5.9	0.2	2.9%	0.2	117%
– Republic of Ireland	2.3	0.1	3.7%	0.1	90%
– UK	3.6	0.1	2.4%	0.1	114%
Total loans and advances to customers	81.8	2.9	3.6%	1.4	45%

Composition (Dec 22)	Advances (€bn)	Non-performing exposures (€bn)	Non-performing exposures as % of advances	Impairment loss allowance (€bn)	Impairment loss allowance as % of non-performing exposures
Residential Mortgages	38.0	0.5	1.3%	0.1	30%
– Republic of Ireland	22.5	0.3	1.3%	0.1	34%
– UK	15.5	0.2	1.3%	0.0	24%
Non-property SME and corporate	21.5	1.6	7.3%	0.8	50%
– Republic of Ireland SME	7.2	0.6	8.1%	0.4	63%
– UK SME	1.6	0.1	7.2%	0.1	57%
– Corporate	12.7	0.9	6.9%	0.4	40%
Property and construction	8.2	0.4	5.1%	0.2	46%
– Investment	7.1	0.4	5.7%	0.2	45%
– Land and development	1.1	0.0	1.4%	0.0	83%
Consumer	5.4	0.1	2.7%	0.2	116%
– Republic of Ireland	2.2	0.1	3.5%	0.1	86%
– UK	3.2	0.1	2.3%	0.1	147%
Total loans and advances to customers	73.0	2.6	3.6%	1.3	49%

Portfolio by stage

Composition (Jun 23)	Gross carrying amount (before impairment loss allowance)					Impairment loss allowance					ILA % of gross loans
	Stage 1 €m	Stage 2 €m	Stage 3 €m	POCI €m	Total €m	Stage 1 €m	Stage 2 €m	Stage 3 €m	POCI €m	Total €m	
Sectoral analysis by stage											
Residential Mortgages	41,181	4,664	729	147	46,721	28	69	133	6	236	0.5%
- Republic of Ireland	27,485	3,208	351	147	31,191	16	39	89	6	150	0.5%
- UK	13,696	1,456	378	-	15,530	12	30	44	-	86	0.6%
Non-property SME and corporate	14,774	5,043	1,426	1	21,244	61	163	528	-	752	3.5%
- Republic of Ireland SME	5,314	1,469	499	1	7,283	32	55	254	-	341	4.7%
- UK SME	1,246	311	111	-	1,668	4	17	40	-	61	3.7%
- Corporate	8,214	3,263	816	-	12,293	25	91	234	-	350	2.8%
Property and construction	4,197	3,351	385	8	7,941	13	63	95	1	172	2.2%
- Investment	3,377	3,211	366	8	6,962	10	60	90	1	161	2.3%
- Land and development	820	140	19	-	979	3	3	5	-	11	1.1%
Consumer	4,959	791	173	1	5,924	46	57	101	-	204	3.4%
- Motor Lending UK	1,772	376	33	-	2,181	3	5	11	-	19	0.9%
- Loans UK	1,118	257	56	-	1,431	29	37	42	-	108	7.5%
- Motor Lending ROI	797	3	23	-	823	3	-	9	-	12	1.5%
- Loans ROI	755	129	49	1	934	8	11	31	-	50	5.4%
- Credit Cards ROI	517	26	12	-	555	3	4	8	-	15	2.7%
Total	65,111	13,849	2,713	157	81,830	148	352	857	7	1,364	1.7%

Composition (Dec 22)	Gross carrying amount (before impairment loss allowance)					Impairment loss allowance					ILA % of gross loans
	Stage 1 €m	Stage 2 €m	Stage 3 €m	POCI €m	Total €m	Stage 1 €m	Stage 2 €m	Stage 3 €m	POCI €m	Total €m	
Sectoral analysis by stage											
Residential Mortgages	34,020	3,546	450	4	38,020	18	38	89	1	146	0.4%
- Republic of Ireland	19,733	2,484	251	4	22,472	8	22	69	1	100	0.4%
- UK	14,287	1,062	199	-	15,548	10	16	20	-	46	0.3%
Non-property SME and corporate	15,253	4,665	1,534	16	21,468	65	153	563	2	783	3.6%
- Republic of Ireland SME	4,931	1,683	561	-	7,175	39	63	269	-	371	5.2%
- UK SME	1,177	280	121	-	1,578	4	12	45	-	61	3.9%
- Corporate	9,145	2,702	852	16	12,715	22	78	249	2	351	2.8%
Property and construction	3,864	3,922	355	60	8,201	10	53	102	30	195	2.4%
- Investment	3,216	3,469	339	60	7,084	7	47	97	30	181	2.6%
- Land and development	648	453	16	-	1,117	3	6	5	-	14	1.3%
Consumer	4,694	510	146	-	5,350	49	41	81	-	171	3.2%
- Motor Lending UK	1,553	225	27	-	1,805	3	4	9	-	16	0.9%
- Loans UK	1,216	126	45	-	1,387	31	25	34	-	90	6.5%
- Motor Lending ROI	736	-	23	-	759	4	-	10	-	14	1.8%
- Loans ROI	686	137	40	-	863	8	9	21	-	38	4.4%
- Credit Cards ROI	503	22	11	-	536	3	3	7	-	13	2.4%
Total	57,831	12,643	2,485	80	73,039	142	285	835	33	1,295	1.8%

Non-property SME and Corporate by stage^{1,2}

Composition (Jun 23)	Gross carrying amount					Impairment loss allowance					ILA % of gross loans
	Stage 1 €m	Stage 2 €m	Stage 3 €m	POCI €m	Total €m	Stage 1 €m	Stage 2 €m	Stage 3 €m	POCI €m	Total €m	
Sectoral analysis by stage											
Non-property SME and corporate											
- Manufacturing	3,134	1,347	335	-	4,816	12	42	105	-	159	3.3%
- Administrative and support service activities	2,473	665	134	-	3,272	11	26	61	-	98	3.0%
- Wholesale and retail trade	1,793	455	80	-	2,328	6	10	41	-	57	2.4%
- Accommodation and food service activities	746	630	178	1	1,555	3	9	48	-	60	3.9%
- Agriculture, forestry and fishing	1,328	283	99	-	1,710	9	11	41	-	61	3.6%
- Human health services and social work activities	836	414	222	-	1,472	4	18	40	-	62	4.2%
- Other services	641	152	79	-	872	2	7	36	-	45	5.2%
- Transport and storage	574	156	103	-	833	2	5	54	-	61	7.3%
- Financial and insurance activities	747	62	4	-	813	1	3	2	-	6	0.7%
- Real estate activities	372	201	91	-	664	4	9	49	-	62	9.3%
- Professional, scientific and technical activities	535	205	33	-	773	3	6	27	-	36	4.7%
- Electricity, gas, steam and air conditioning supply	451	54	5	-	510	1	2	3	-	6	1.2%
- Education	356	87	1	-	444	1	5	1	-	7	1.6%
- Other sectors	788	332	62	-	1,182	2	10	20	-	32	2.7%
Total	14,774	5,043	1,426	1	21,244	61	163	528	-	752	3.5%

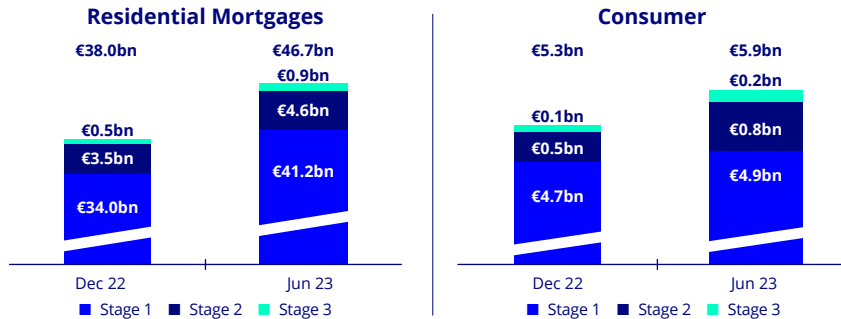
Composition (Dec 22)	Gross carrying amount					Impairment loss allowance					ILA % of gross loans
	Stage 1 €m	Stage 2 €m	Stage 3 €m	POCI €m	Total €m	Stage 1 €m	Stage 2 €m	Stage 3 €m	POCI €m	Total €m	
Sectoral analysis by stage											
Non-property SME and corporate											
- Manufacturing	3,388	1,114	320	-	4,822	11	36	127	-	174	3.6%
- Administrative and support service activities	2,544	428	161	16	3,149	12	17	67	2	98	3.1%
- Wholesale and retail trade	1,713	395	77	-	2,185	7	10	43	-	60	2.7%
- Agriculture, forestry and fishing	1,282	350	100	-	1,732	10	11	40	-	61	3.5%
- Accommodation and food service activities	608	794	195	-	1,597	3	16	56	-	75	4.7%
- Human health services and social work activities	880	444	199	-	1,523	3	17	40	-	60	3.9%
- Financial and insurance activities	921	40	10	-	971	1	3	5	-	9	0.9%
- Transport and storage	562	165	107	-	834	2	6	43	-	51	6.1%
- Professional, scientific and technical activities	643	154	32	-	829	3	5	21	-	29	3.5%
- Other services	579	91	97	-	767	2	6	25	-	33	4.3%
- Real estate activities	390	246	98	-	734	5	9	49	-	63	8.6%
- Education	418	51	1	-	470	2	2	1	-	5	1.1%
- Arts, entertainment and recreation	241	142	47	-	430	1	8	18	-	27	6.3%
- Other sectors	1,084	251	90	-	1,425	3	7	28	-	38	2.7%
Total	15,253	4,665	1,534	16	21,468	65	153	563	2	783	3.6%

¹ The Non-property SME and corporate portfolio is analysed by NACE code. The NACE code classification system is a pan-European classification system that groups organisations according to their business activities

² Exposures to NACE codes totalling less than €400 million are grouped together as 'Other sectors'. The NACE codes reported in the table above can therefore differ period on period

Residential mortgages / Consumer loans

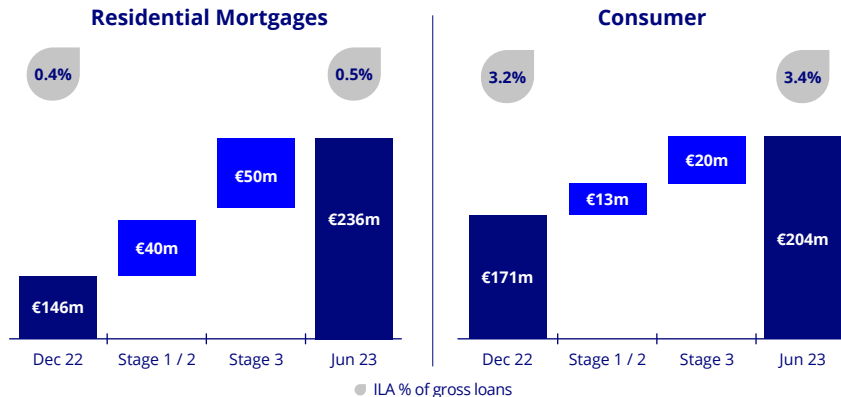
Gross loans by stage



Residential mortgages

- Mortgage portfolios 57% of Group loan book
 - Average LTV of 54% on stock
 - 89% of the portfolio has LTV < 80%
- Stage 2 loans increased from €3.5bn at FY22 to €4.6bn at HY23 reflecting portfolio activity and affordability risk
- Stage 3 loans (incl. POICs) increased by €0.4bn to €0.9bn due to KBCI acquisition and new defaults (primarily UK)
- Stage 3 cover (excl. POICs) decreased to 18% at HY23 (FY22 20%) reflecting evolution of asset mix in defaulted book
- €0.1bn increase in ILA primarily reflects increases from portfolio activity, FLI/model updates, and KBCI acquisition
- Total impairment cover increased from 0.4% at FY22 to 0.5% at HY23, reflecting increase in Stage 2 loans

ILA movement

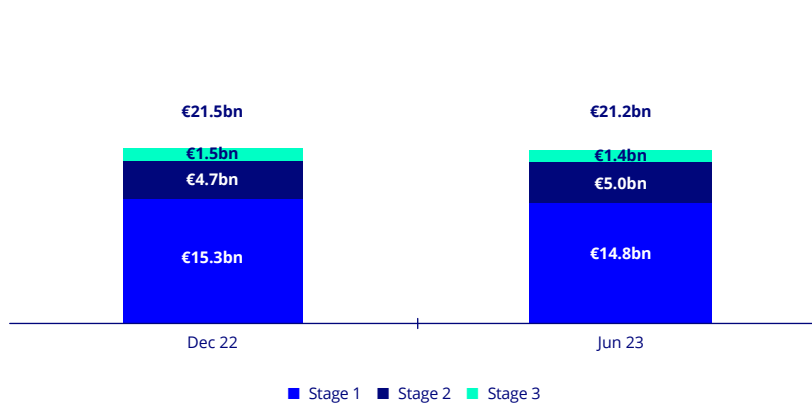


Consumer

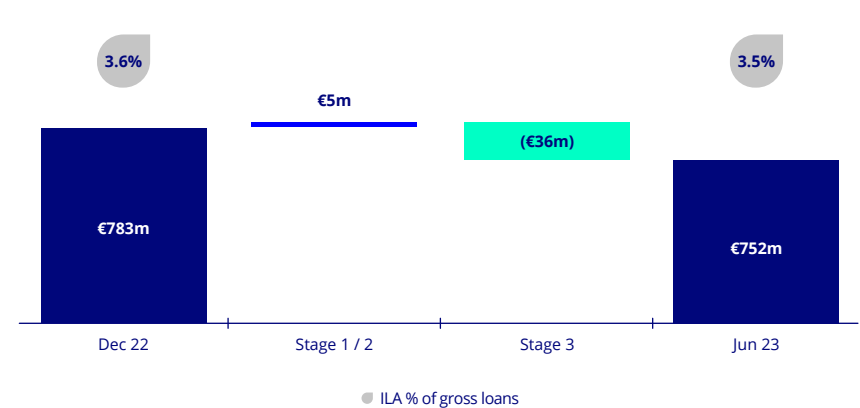
- 7% of Group loan book
- Stage 2 loans increased from €0.5bn at FY22 to €0.8bn at HY23 reflecting portfolio activity and affordability risk, particularly in the UK
- €33m increase in ILA reflecting portfolio activity
- Total impairment cover increased to 3.4% (3.2% at FY22) reflecting FLI/model updates and asset mix in the defaulted book

Non-property SME and Corporate

Gross loans by stage



ILA movement

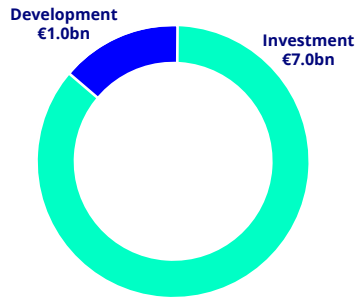


Non-property SME and corporate

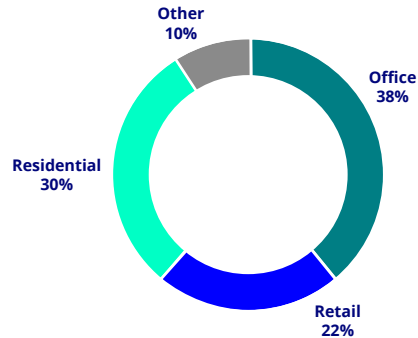
- 26% of Group loan book, well diversified by geography and sector
- €0.3bn increase in Stage 2 loans since FY22 driven by model updates; partly offset by portfolio activity
- Stage 3 balances decreased by €0.1bn, with Stage 3 cover stable at 37%
- Total impairment cover of 3.5% at HY23 stable vs FY22, and remains higher than FY 2019 (2.4%)

Property and Construction (P&C)

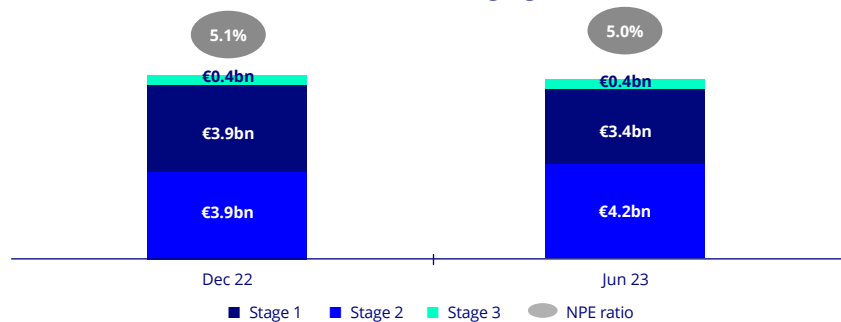
P&C lending (€7.9bn)¹



Investment loan portfolio (€7.0bn)



P&C loan staging



Irish focused lending with significant equity protection

Investment (€7.0bn)

- Geographical exposure¹ primarily focused on Ireland (68%) and UK (22%), with modest US/other exposure (10%)
- Portfolio primarily consists of residential, office and retail assets
- Weighted average LTVs (59%) and interest coverage (2.1x)

Development (€1.0bn)

- Development portfolio focused on residential projects (90% of total development book)
- No planning risk on residential projects and no speculative exposure on commercial projects

Asset quality

- HY23 net impairment loss of €18m
- NPEs broadly stable at €0.4bn at HY23
- Stage 2 volumes reduced by c.€0.6bn to €3.4bn (42% of the book) reflecting portfolio activity case movements
- c.30% of book refinancing in next 12 months; pro-active engagement with customers yielding positive results

¹ Based on location of collateral

Forward looking information – macro-economic scenarios

30 June 2023	Ireland			United Kingdom		
	2023	2024	2025-2027	2023	2024	2025-2027
Central scenario – 40% probability weighting						
GDP growth ¹	5.4%	4.6%	3.9%	0.0%	1.0%	1.7%
GNP growth ¹	5.0%	4.3%	3.7%	n/a	n/a	n/a
Unemployment rate ²	4.3%	4.3%	4.5%	4.1%	4.4%	4.4%
Inflation rate ²	5.0%	2.9%	2.1%	6.9%	2.8%	1.7%
Residential property price growth ³	(2.0%)	0.0%	1.7%	(7.0%)	(4.0%)	1.7%
Commercial property price growth ³	(9.5%)	(7.0%)	1.8%	(7.0%)	(6.0%)	2.0%
Upside scenario – 15% probability weighting						
GDP growth ¹	6.1%	5.7%	4.3%	0.9%	2.2%	2.1%
GNP growth ¹	5.8%	5.4%	4.0%	n/a	n/a	n/a
Unemployment rate ²	4.2%	3.8%	3.5%	3.7%	3.6%	3.5%
Inflation rate ²	4.6%	2.3%	2.2%	6.2%	2.1%	2.0%
Residential property price growth ³	2.0%	2.0%	2.0%	(2.0%)	0.0%	2.3%
Commercial property price growth ³	(6.0%)	(1.5%)	2.5%	(3.0%)	1.0%	2.7%
Downside scenario 1 – 30% probability weighting						
GDP growth ¹	4.4%	2.7%	3.5%	(0.7%)	(1.0%)	1.3%
GNP growth ¹	3.9%	2.2%	3.2%	n/a	n/a	n/a
Unemployment rate ²	4.9%	6.0%	6.3%	4.9%	5.8%	6.2%
Inflation rate ²	5.7%	3.7%	2.0%	7.7%	3.6%	1.5%
Residential property price growth ³	(12.0%)	(5.0%)	0.0%	(13.0%)	(7.0%)	(0.7%)
Commercial property price growth ³	(12.5%)	(10.0%)	0.0%	(10.5%)	(10.0%)	0.0%
Downside scenario 2 – 15% probability weighting						
GDP growth ¹	3.0%	0.5%	3.1%	(2.1%)	(2.3%)	0.8%
GNP growth ¹	2.3%	(0.2%)	2.6%	n/a	n/a	n/a
Unemployment rate ²	5.5%	7.9%	8.5%	5.8%	7.4%	8.0%
Inflation rate ²	6.3%	4.2%	1.8%	8.4%	4.2%	1.3%
Residential property price growth ³	(16.0%)	(8.0%)	(2.0%)	(17.0%)	(11.0%)	(2.0%)
Commercial property price growth ³	(17.5%)	(13%)	(1.8%)	(16.0%)	(12.5%)	(1.8%)

¹ Annual growth rate

² Average yearly rate

³ Year-end figures

ILA sensitivity to macro-economic scenarios

The following table indicates the approximate extent to which impairment loss allowance (ILA), excluding Group management adjustments, would be higher or lower than reported were a 100% weighting applied to the central, upside and downside future macroeconomic scenarios respectively.

30 June 2023	Multiple scenarios	Change in impairment loss allowance							
		Central scenario		Upside scenario		Downside scenario 1		Downside scenario 2	
Impact of applying only a central, upside or downside scenario rather than multiple probability weighted scenarios ¹	Impairment loss allowance €m	Impairment loss allowance €m	Impact %	Impairment loss allowance €m	Impact %	Impairment loss allowance €m	Impact %	Impairment loss allowance €m	Impact %
Total	1,329	(145)	(12%)	(229)	(17%)	215	16%	675	51%

The following table indicates the approximate extent to which impairment loss allowances for the residential mortgage portfolios, would be higher or lower than the application of a central scenario if there was an immediate change in residential property prices at the reporting date. Although such changes would not be observed in isolation, as economic indicators tend to be correlated in a coherent scenario, this gives insight into the sensitivity of the Group's impairment loss allowance to a once-off change in residential property values.

30 June 2023	Central scenario	Change in impairment loss allowance							
		Residential property price reduction of 10%		Residential property price reduction of 5%		Residential property price increase of 5%		Residential property price increase of 10%	
Impact of an immediate change in residential property prices compared to a central scenario impairment loss allowance	Impairment loss allowance €m	Impairment loss allowance €m	Impact %	Impairment loss allowance €m	Impact %	Impairment loss allowance €m	Impact %	Impairment loss allowance €m	Impact %
Residential mortgages	180	32	18%	15	8%	(13)	(7%)	(24)	(14%)

¹ The scenarios outlined in the table are based on the FLI weightings outlined on slide 46

Ordinary shareholders' equity and TNAV

Movement in ordinary shareholders' equity	Dec 22 (€m) restated ¹	Jun 23 (€m)
Ordinary shareholders' equity at beginning of period	9,933	10,489
Movements:		
Profit / (Loss) for the period	858	853
Share buy back – repurchase of shares	(50)	(125)
Dividend paid to ordinary shareholders	(54)	(225)
Dividends paid to NCI - preference stock	(8)	(4)
Distribution on other equity instruments – additional tier 1 coupon (net of tax)	(69)	(34)
Re-measurement of the net defined benefit pension liability	91	148
Debt instruments at FVOCI reserve movements	(146)	1
Cash flow hedge reserve movements	5	(3)
Foreign exchange movements	(93)	63
Liability credit reserve movements	15	(17)
Revaluation reserve movements	(3)	
Reserve for Preference stock to be redeemed		(57)
Changes in value and amount of shares held	10	1
Ordinary shareholders' equity at end of period	10,489	11,090
Tangible net asset value	Dec 22 (€m) restated¹	Jun 23 (€m)
Ordinary shareholders' equity at the end of period	10,489	11,090
Adjustments:		
Intangible assets and goodwill	(1,276)	(1,350)
Own shares held for benefit of life assurance policyholders	10	9
Tangible net asset value (TNAV)	9,223	9,749
Number of ordinary shares in issue at the end of the period excluding treasury shares	1,069	1,055
TNAV per share (€)	€8.63	€9.24

¹ Restated for application of IFRS 17 on 1 January 2023

Wealth and Insurance¹ – IFRS 17 application and restatement of H122

	H1 2022 (€m IFRS 4)	H1 2022 (€m IFRS 17)	H1 2023 (€m IFRS 17)
Income	123	76	162
Expenses	(82)	(45)	(107)
Operating contribution	41	32	55
Investment valuation movement	(102)	(77)	22
Underlying contribution	(61)	(44)	77

AUM	Dec 2022 (€bn)	Jun 2023 (€bn)
Davy	18	20
NIAC	21	22
Total AUM	39	42

- On 1 Jan 2023, the IFRS 17 accounting standard related to insurance contracts became effective, replacing IFRS 4. This has a material impact on the recognition, measurement, presentation and disclosure of the insurance business in the Group's financial statements. The application of IFRS 17 does not impact Davy, the economic value created from the Wealth and Insurance division or the ability of the Group to upstream dividends from the NIAC subsidiary. Cash flows and capital generation from the W&I business remain unchanged
- Embedded value of Wealth division (excluding Davy) increased to €1.24bn in H123 from €1.17bn in Dec 2022
- Following the application of IFRS 17, Wealth and Insurance income for H122 has been restated to €76m (from €123m under IFRS 4) and operating expenses have been restated to €44m (from €82m under IFRS 4)
- H123 growth in operating income and operating expenses reflect six months contribution from Davy (vs one month in H122), as well as underlying business momentum; market movements have resulted in a positive investment valuation movement of €22m for H123
- The impact of the introduction of IFRS 17 on shareholders' equity was €371m at the transition date of 1 Jan 2022 and €410m at the application date of 1 Jan 2023
- IFRS 17 has introduced contractual service margin (CSM) which represents the unearned profit of a group of insurance and reinsurance contracts which is released in line with insurance service provided. The CSM of the Group increased by €8m to €561m during H1 2023. There was a c.€38m increase in CSM driven by new business, positive persistency, and positive market movements. €30 million CSM was released to the income statement for insurance services provided

¹ Includes New Ireland and Davy

Fully Loaded CET1 ratio

Capital ratios – 30 June 2023

	Fully loaded ratio (€bn) Dec 22	Fully loaded ratio (€bn) Jun 23
Total Equity	11.9	12.1
Less Additional Tier 1	(1.0)	(1.0)
Deferred Tax	(1.0)	(0.9)
Intangible assets and goodwill	(1.0)	(1.0)
Foreseeable dividend	(0.3)	(0.3)
Expected loss deduction	(0.2)	(0.1)
Pension Fund Asset	(0.6)	(0.8)
Other items ¹	(0.5)	(0.4)
Common Equity Tier 1 Capital	7.3	7.7
Credit RWA	35.9	40.7
Operational RWA	4.8	5.0
Market, Counterparty Credit Risk and Securitisations	2.6	2.4
Other Assets / 10% / 15% / threshold deduction	4.2	3.9
Total RWA	47.5	52.0
Common Equity Tier 1 ratio	15.4%	14.8%
Total Capital ratio	20.5%	19.5%
Leverage ratio	6.4%	6.5%

¹ Other items includes other capital deductions, principal ones being prudential valuation adjustment, 10% / 15% deduction and calendar provisioning deduction

Return on Tangible Equity (RoTE)

HY23: Headline vs. Adjusted

	H1 2023 Headline (€m)	Adjustments			H1 2023 Adjusted (€m)
		Additional gains & valuation items, net of tax	Adjusted for CET1 ratio at 14.0%	Pension Surplus	
Profit for the period	853				
Coupon on Additional Tier 1 securities	(34)				
Preference share dividends	(4)				
Adjusted profit after tax	815	(42)	-	-	773
Annualised profit after tax	1,649	(84)	-	-	1,565
At June 2023					
Shareholders' equity	11,090		(397)	(891)	9,802
Intangible assets	(1,350)				(1,350)
Shareholders' tangible equity	<u>9,740</u>		(397)	(891)	<u>8,452</u>
Average shareholders' tangible equity	9,672	-	(365)	(850)	8,457
Return on tangible equity (RoTE)	17.0%				18.5%

- H1 2023 adjusted return on tangible equity is adjusted for:
 - Additional gains and valuation items, net of tax (€42m)
 - Average shareholders' tangible equity calculated on a CET1 Ratio at 14.0% (€365m)
 - Removal of average pension surplus €850m
- Tangible Net Asset Value (TNAV) per share as at end Jun 2023 was €9.24, or €8.40 excluding the pension surplus

Cost-to-income ratio: HY 2023

Headline vs Adjusted

	H1 2023 Headline (€m)	Pro forma adjustments (€m)	H1 2023 Pro forma (€m)
Net interest income	1,802		1,802
Other income			
– Business income	350		350
– Additional gains, valuation and other items	49	(49)	(0)
Total Income	2,201	(49)	2,152
Costs			
– Operating expenses	(907)	–	(907)
Costs	(907)	–	(907)
Cost-to-income ratio	41%		42%

- **Cost-to-income ratio excludes:**

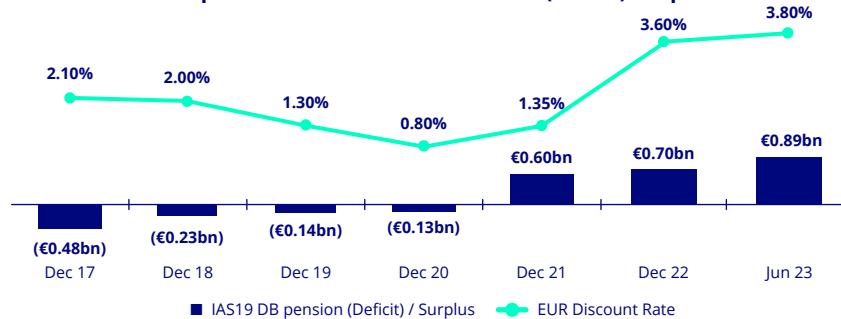
- Levies and regulatory fees
- Non-core items

- **HY23 adjusted cost-to-income ratio is adjusted for:**

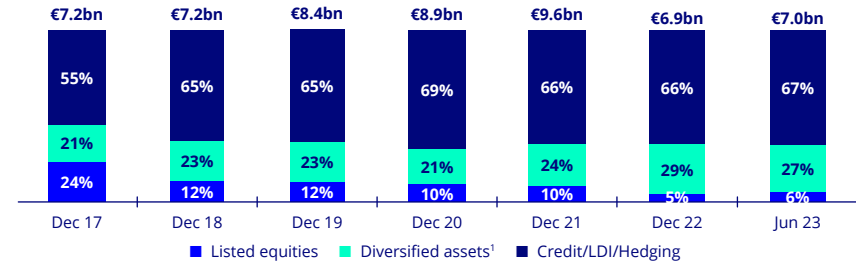
- Additional gains, valuation and other items of €49m

Defined benefit pension schemes

Group IAS19 Defined Benefit Pension (deficit)/surplus

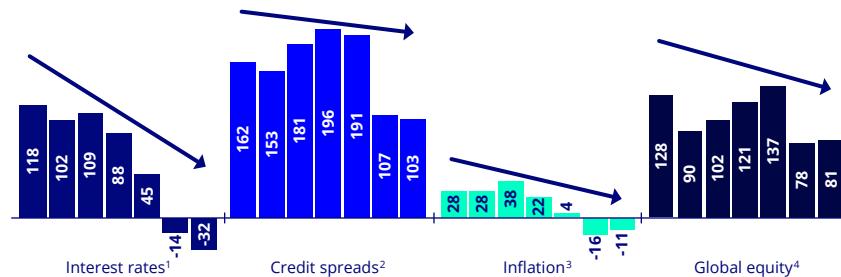


Total Group defined benefit pension scheme assets (%)



¹ Diversified assets includes infrastructure, private equity, hedge funds and property

IAS19 pension sensitivities
(Dec 2017 / Dec 2018 / Dec 2019 / Dec 2020 / Dec 2021 / Dec 2022 / Jun 2023)
€m



¹ Sensitivity of Group funding requirement to a 0.25% decrease in interest rates

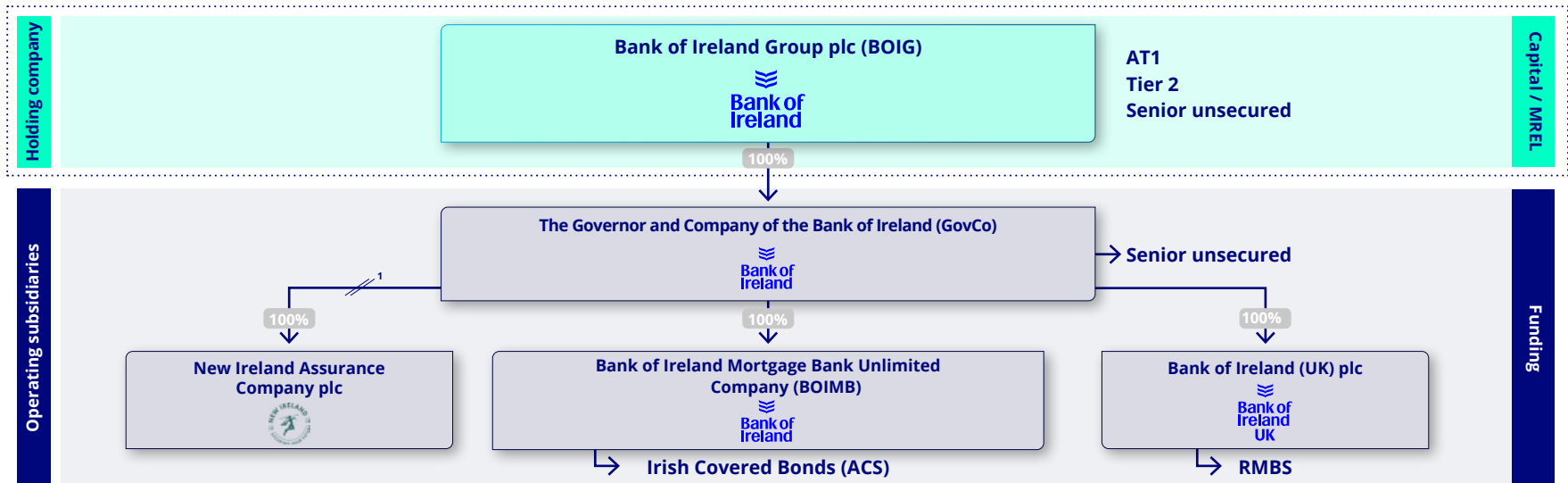
² Sensitivity of IAS19 liabilities to a 0.10% decrease in credit spread over risk free rates

³ Sensitivity of Group funding requirement to a 0.10% increase in long term inflation

⁴ Sensitivity of Group assets to a 5% movement in global equity markets with allowance for other correlated diversified asset classes

- IAS19 net pension surplus of €0.889bn at Jun 2023 (€0.7bn net surplus Dec 2022). Schemes in surplus €0.894bn, schemes in deficit €0.005bn
- Both euro and sterling discount rates increased over the half-year (20 bps and 40 bps respectively). The euro discount rate change was due primarily to increases in the corporate bond credit spreads and the sterling discount rate change was due primarily to increases in long term risk free interest rates
- The discount rate increases resulted in a reduction in Group DB pension scheme liabilities, partially offset by a corresponding reduction in the interest rate hedging assets
- Long term euro inflation assumptions remained stable in the period at 2.6% while long term sterling inflation assumptions increased marginally (by 5bps to 3.35%), with the resulting increase in UK liabilities partially offset by the increase in inflation hedging assets
- Further progress was made over the course of the half year on the de-risking of the investment strategy of the BSPF, the Group's largest pension scheme. When completed this will result in a further reduction in return-seeking assets and an increase in Credit/LDI/ Hedging assets
- The IAS19 Pension Sensitivities graphs demonstrate the reduction over recent years in the sensitivity of the Group's pension schemes to movements in interest rates, credit spreads, inflation and equities

Corporate Structure



- Preferred resolution strategy for the Group consists of a Single Point of Entry (SPE) bail-in strategy through the Group holding company (BOIG)
 - Transparent and well-defined resolution strategy in comparison to other jurisdictions
 - In 2017 BOIG introduced on top of the existing group structure supporting an SPE preferred resolution strategy
 - No change to any of the Group's existing operating companies
- Bail-in at BOIG is the primary resolution tool. MREL requirements are expected to be met through junior and senior issuance from BOIG
- Losses are passed to BOIG by the write-down of intragroup assets. BOIG investors bear loss in accordance with the resolution² hierarchy. Resolution authorities required to apply the "No creditor worse off" principle in application of the bail-in tool
- Funding requirements may also continue to be met, as required, through the issue of Irish Covered Bonds (ACS) by Bank of Ireland Mortgage Bank Unlimited Company, Residential Mortgage Backed Securities (RMBS) by Bank of Ireland (UK) plc and senior unsecured issuance by GovCo

¹ 100% shareholding via intermediate holding company

² Per Regulations 87 and 96 of the European Union (Bank Recovery and Resolution) Regulations 2015, as amended

Forward looking statement

This document contains forward-looking statements with respect to certain of the 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, LDRs, 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, UK, European and other regulators, plans and objectives for future operations, and the impact of Russia's invasion of Ukraine particularly on certain of 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 2022. Investors should also read 'Principal Risks and Uncertainties' in the Group's Interim Report for the six months ended 30 June 2023 beginning on page 25.

Nothing in this document 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 document is or is intended to be a profit forecast, dividend forecast, or profit estimate. Any forward-looking statement speaks only as 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.

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