

Bank of Ireland Group plc (the “Group”)

Updated FY22 NII guidance, IFRS 17 and FY22 results date

16 December 2022

The Group is providing an update on a number of items as the year end approaches.

Updated FY22 NII guidance

Reflecting the evolving interest rate environment, the Group now expects FY22 net interest income to increase by c.10% vs FY21, compared to prior guidance of a c.6-7% increase. As set out in the Group’s recent Q322 IMS, this guidance incorporates net interest income from TLTRO participation in FY22 of c.€30 million vs c.€62 million in the prior year.

IFRS 17 implementation

IFRS 17 replaces the existing IFRS 4 accounting standard on 1 January 2023. IFRS 17 will impact the timing of the recognition of insurance contract profits in the Group’s New Ireland (NIAC) subsidiary, within the Wealth and Insurance business¹, with the total profits over a contract’s life remaining unchanged. Therefore, the cashflows and consequently the underlying economic value derived from the Group’s NIAC business do not change as a result of the implementation of IFRS 17.

The introduction of IFRS 17 is expected to reduce Wealth and Insurance operating contribution by c.35-45%, equivalent to a c.3-5% reduction in Group operating profit pre impairment. Reported income and operating expenses will both reduce as a result of the introduction of IFRS 17. It is expected that the Group’s Tangible Net Asset Value and fully loaded CET1 ratio will reduce on day one by c.4% and c.30bps respectively.

These assessments remain provisional and subject to change, but are the Group’s best estimate of the likely impacts of the implementation of IFRS 17. The Group’s 2022 Annual Report will disclose in further detail the estimated impact of the application of IFRS 17 on the Group’s financial statements and accounting policies.

FY22 results date

The Group will publish its FY22 annual results on 7 March 2023, to be accompanied by an update on medium term targets and strategy.

Ends

¹ Wealth and Insurance reported operating contribution of €121m in FY21.

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Forward Looking Statement

This announcement 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, level of ownership by the Irish Government, 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, 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 the COVID-19 pandemic 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 2021. Investors should also read 'Principal Risks and Uncertainties' in the Group's Annual Report for the year ended 31 December 2021 beginning on p 138.

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 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.