



Bank of Ireland | FY 2025 Results and Strategy Update | 2nd March, 2026

SLIDE 1 COVER SLIDE

Good morning everyone. I'm Eamonn Hughes, Investor Relations Officer, and you're all very welcome to Bank of Ireland's 2025 results and Strategy Update.

SLIDE 3 AGENDA

Myles will shortly take you through an overview of our business and how it performed over the last cycle.

Mark will then go through the key points from our 2025 financial results.

And then we will turn to our Strategy Update, covering our plans for the next 3 years to 2028.

We will then wrap up with the investment case for the Group ... and then open the floor to your questions.

Over to you, Myles.

SLIDE 5 BUSINESS & STRATEGIC OVERVIEW

Thanks, Eamonn and good morning everyone, for those with us in person in London and those on the call.

SLIDE 6 UNRIVALLED POSITION AS IRELAND'S NATIONAL CHAMPION BANK

You're very welcome to our 2025 Results and Strategy Update.

I'd like to start by giving you an overview of the unique shape and deep reach of Bank of Ireland's franchise.

Put simply, we have an unrivalled position in Ireland, with complementary international businesses.

What you see on the first slide is that unrivalled position across mortgages, Everyday Banking, Corporate and Commercial lending and Wealth and Insurance.

Our position is underpinned by four long-established respected brands: Bank of Ireland; Davy; New Ireland; and Bank of Ireland UK.

This embeds the Group into every community in Ireland; its economy and, indeed, its society.

This is key to our growth over the coming years, complemented by supportive businesses outside of Ireland.

SLIDE 7 IRELAND: A HIGHLY ATTRACTIVE MARKET DRIVING QUALITY GROWTH

Being embedded in Ireland means being embedded in one of Europe's fastest growing economies.

This is a highly attractive market, driving balance sheet growth.

Ireland's average annual GDP growth is forecast to be 3% out to 2028.

And its demographics are also highly supportive.

These include:

- A population expected to increase by 17% by 2040;
- A structural growth story in wealth management;
- Sustained credit formation. On this point, private sector credit grew 6% last year; and
- Ireland's National Development Plan.

This plan aims to drive Ireland forward, with a €275 billion public investment in infrastructure, unlocking economic and balance sheet growth.

We are also mindful of the risks presented by the geopolitical uncertainty.

Ireland is navigating these risks well, with a resilient and growing economy.

Healthy public finances can help to shield against volatility.

And Bank of Ireland's strong balance sheet is well positioned to manage potential future challenges, underpinning a bright future for the Group.

SLIDE 8 EXCELLENT BUSINESS PERFORMANCE WITH MOMENTUM

Bank of Ireland's unrivalled position in Ireland, and the strength of the economy, come together on Slide 8.

This combination is driving outstanding business performance.

Over the past three years, new to bank customers increased by 18%.

We have significantly improved customer satisfaction.

This has supported the balance sheet momentum you see here.

Our Irish loan and deposit books grew 6% in 2025, while wealth assets under management increased by 9% to an all-time high.

Capital generation was 270 basis points last year, bringing the total over the cycle to 920 points. That's €5 billion of capital generation.

SLIDE 9 TRANSFORMED RETURNS PROFILE AND DELIVERED ON FINANCIAL TARGETS OVER LAST CYCLE

On Slide 9 we recap on the returns profile since 2022.

In early 2023 we committed to a range of financial targets which have been delivered.

That's ROTE, Cost Income Ratio, a progressive dividend and returning surplus capital.

This performance has supported strong distributions, totalling €3.6bn over the last cycle, equivalent to 37% of our starting market capitalisation.

And for 2025, this includes €1.2 billion of distributions, which equates to a 100% total payout of earnings, comprising a progressive dividend per share of 70 cent and the €530 million approved share buyback we are announcing today.

We enter 2026, and our new cycle to 2028, with real momentum and strong capital generation.

I'll share more on this with you shortly.

For now, I'll pass you over to Mark, who will take you through last year's financial performance.

SLIDE 11 FY25 FINANCIAL PERFORMANCE / MARK SPAIN, GROUP CFO

Thanks, Myles and good morning everyone.

SLIDE 12 STRONG FY25 FINANCIAL PERFORMANCE

We've had a strong financial performance in 2025.

Slide 12 sets out the key highlights, including:

- Continued momentum in Irish loans and deposits, both up 6%;
- Growing fee income, led by our Wealth & Insurance franchise;
- Ongoing cost discipline; and
- Robust asset quality

All of these contributed to capital generation of 270bps and support total shareholder distributions of €1.2bn.

Subject to shareholder approval, the ordinary dividend will be 70 cents per share, up 11% compared to last year, reflecting our confidence in the Bank's prospects.

SLIDE 13 NII GROWING IN 2026; ACCELERATING INTO 2027 AND 2028

We've had a good NII performance in 2025, with balance sheet growth, bond purchases and our structural hedging helping to counter the impact of lower interest rates and planned deleveraging.

We expect NII to grow from 2025 levels, to around €3.4bn in 2026, above our [clarification: previous] expectation of the high 3.3s.

The key dynamics here are business momentum and hedging playing remaining interest rate and deleveraging impacts, including our recently announced intention to run-down our US acquisition finance book.

We expect stronger growth in 2027, where we are upgrading our prior guidance of the mid 3.5s ... with NII of >€3.6bn now expected.

As part of our strategy update, we have published new guidance for 2028 today, with NII of >€3.85bn expected, with the potential for further upside beyond.

SLIDE 14 EXCELLENT PERFORMANCE IN IRISH LENDING

The supportive Irish macro backdrop that Myles spoke to earlier, and the breadth of our franchise, both contributed to the strong growth in Irish loans in 2025.

Our Irish mortgage business had another excellent year, with a greater than 40% share of new lending for the 3rd year running, while retaining our commercial and risk disciplines.

International Corporate contracted, as planned, due to the portfolios in run-off.

And FX was a headwind in 2025.

In 2026, we expect to see net lending growth of around 4%, once again led by our Irish books.

SLIDE 15 GROUP'S CUSTOMER DEPOSIT FRANCHISE PERFORMED STRONGLY

We saw good growth in customer balances in 2025.

This was led by our Irish Everyday Banking propositions, where flow to term dynamics reduced as expected.

Retail UK balances were higher, with a good performance by our Northern Ireland business.

For 2026, our expectation is for around 3% growth in deposits, led by continued strong growth in Irish Everyday Banking.

SLIDE 16 STRUCTURAL HEDGE KEY DRIVER OF NII TRAJECTORY IN FY26 AND BEYOND

Slide 16 provides more detail on our structural hedge, which is one of the key drivers of our NII trajectory into 2028 and beyond.

Rollovers and additions meant the average yield on the hedge rose 16 basis points to 1.89% in 2025, with an exit yield of 1.98%.

And there's more to come this year.

Helped by modest growth in our hedge volumes, and the rollover dynamic, we see fixed leg income increasing by 10% in 2026.

SLIDE 17 STRONG FEE INCOME GROWTH OF 7% Y/Y

The Group's total fee income increased by 7% last year.

Wealth and Insurance, which now accounts for nearly half of total fee income, had a really good performance, with fee income up 12%, reflecting the benefits of our strategic execution over the past 3 years.

For 2026, we expect to see around 4% growth in fee income, driven by Wealth & Insurance.

SLIDE 18 OPERATING EXPENSES +3%, IN LINE WITH GUIDANCE

Operating expenses rose 3% last year, meeting our guidance.

Staff and other costs were higher.

This reflects a number of factors including:

- Wage inflation in a competitive Irish labour market; and
- Ongoing investment in digital capabilities and customer experience

Efficiencies from our restructuring and investment activity were equivalent to around 2% of the cost base.

And we will see more of this over our new strategic horizon.

On slide 18, I would also note the non-core charge of €430m.

The majority of this relates to UK Motor Finance.

€153m of restructuring costs supported the delivery of our efficiency programme.

One presentational change to call out here is that, from 2026 onwards, restructuring costs will be included above the line.

We expect to see total costs of around €2.2 billion in 2026.

This is comprised of 2 parts:

Firstly, underlying operating expense growth of around 2%, reflecting inflation and investment including targeted higher investment to support strategic delivery, offset by efficiencies and, secondly, restructuring costs that are expected to be in line with the 2025 outturn.

Looking further out, we expect total costs to be stable at around €2.2 billion over the strategic cycle.

SLIDE 19 IMPAIRMENT CHARGE MUCH BETTER THAN GUIDANCE FOLLOWING STRONG H2

Moving now to slide 19.

The impairment charge in 2025 was €193m or 23 basis points cost of risk, better than we had anticipated, following a strong final quarter.

Within that, net loan loss experience and portfolio activity was €65m, with net writebacks in H2, reflecting the team's execution on the ground.

Macroeconomic and model updates account for the balance of the charge, with a geopolitical PMA of €40m providing protection against potential volatility.

The NPE ratio finished 2025 at 2.2%, down 40bps on June reflecting the H2 progress.

Looking ahead [clarification: to 2026], we expect the cost of risk to be in the low to mid-20s basis points.

SLIDE 20 EXCELLENT ORGANIC CAPITAL GENERATION SUPPORTS 100% DISTRIBUTION

The Group has a very capital generative business model.

Organic capital generation was 270 basis points last year.

Around a quarter of this was consumed by investment in lending and CRT amortisation.

IRB model scalars consumed a further 40bps, with an objective to at least partially mitigate these over time.

We have today announced distributions totalling 225 basis points in respect of 2025 performance.

Our reported CET1 ratio was 15.1%, after €1.2bn of distributions, with a 100% total payout ratio which compares to 80% last year.

For 2026, we expect net organic capital generation of around 250 basis points.

We have updated our CET1 guidance for the new strategic cycle to around 14.5%, which we believe is an appropriate level to both protect the Bank and support the ambitious growth plans we are setting out today.

Our objective is to operate at this new CET1 guidance.

SLIDE 21 FY 2026 GUIDANCE

Slide 21 recaps on the building blocks of our 2026 financial guidance that produce our around 12.5% Statutory ROTE expectation for 2026.

On this slide I would note the changes to the presentation of a number of our key metrics.

Having taken on board market feedback, and reflecting on peer approaches, from 2026 onwards we will simplify our reporting by:

- Including restructuring costs within our operating expenses and within our Cost / Income Ratio; and
- Presenting ROTE on a statutory basis

To conclude, as we start 2026 we have real momentum across our franchises, which sets us up very well as we start our new strategic cycle.

I'll pass you over to Myles now, who will take you through our new strategy.

SLIDE 23 STRATEGY 2028

Thanks Mark.

SLIDE 24 STRATEGY 2028 GROWTH OPERATING LEVERAGE RETURNS

The strategy we are setting out today is centred on three priorities.

The first is continued business model momentum in Ireland driving growth.

And earlier I spoke to the very strong balance sheet growth over the three-year period to 2025

That growth story continues.

We expect:

- Lending growth of 4% per year;
- Deposit growth of 3%; and
- AUM growth of 10%

And, in turn, creating more value from a highly attractive Irish economy.

The second is allocating capital to optimise returns.

We are allocating more capital to the Island of Ireland, while capturing the most attractive opportunities in our Corporate and UK franchises.

And the third is investing for the future, improving resilience, customer experience and efficiency.

This ambition underpins the financial targets we are setting out today.

We see income growing at an annual growth rate of more than 4%.

This topline momentum, supported by our investments and cost discipline, is transforming operating leverage.

This is reflected in our cost income ratio, expected to fall to mid 40s by 2028, with an ambition to go beyond.

Combined, this sees our Return on Tangible Equity - that's a clean statutory ROTE - increasing by more than 500 basis points to greater than 16% by 2028.

SLIDE 25 GROWING WITH CUSTOMERS TO MEET THEIR RETAIL, BUSINESS, WEALTH AND INSURANCE NEEDS

As set out on slide 25, the Group has a strong portfolio, with complementary capabilities across our businesses.

These interlinkages, between our Retail, Wealth and Insurance and Corporate and Commercial teams offer significant potential.

Examples include:

- 2.2 million Retail Ireland personal customers, of whom more than 150,000 are affluent and this offers an important opportunity to Davy Wealth;
- Connecting our Corporate customers with New Ireland corporate pension solutions; and
- Leveraging our Davy Capital Markets business to offer more complex solutions for our corporate customers

We have the opportunity to serve our more than 4 million customers at every step and stage of their financial lives.

SLIDE 26 RETAIL IRELAND EVERYDAY BANKING

Our Everyday Banking franchise in Ireland - a core value driver for the Group - has very attractive market positions.

From a position of strength, we have a growing deposit franchise, with €87 billion of customer balances equivalent to around a third of total Irish private sector deposits.

We expect continued growth in our deposit and current account franchise.

Our ambition here is threefold.

- One: to strengthen customer loyalty, through improving experience and to protect customers from the ever-increasing scourge of fraud;

- Two: to grow our customer and deposit base, supported by product innovation - for example our Smart Start account for youth customers - and our Coming to Ireland product, for people moving or returning to Ireland; and
- Three: to drive more efficiency through technology

Delivering our strategy allows Bank of Ireland to command a leading share of new business; deepen customer relationships; and drive further cross-sell.

SLIDE 27 RETAIL IRELAND HOME BUYING

We are Ireland's number one mortgage provider, and our strategic objective is to retain that position.

In the last cycle we captured a growing share of Ireland's growing mortgage market.

Rising housing output, underpinned by Ireland's strong demographics, represents a clear structural growth opportunity for mortgages - supporting an expected 5% average annual book growth.

Over the next cycle, we will maintain our right to win in this market, while continuing to maintain pricing discipline.

And, we continue to enhance our [clarification: digital] capability, making it easier and faster for our customers to secure a mortgage approval.

Our overall ambition is to be the unrivalled leader in Irish home buying.

SLIDE 28 WEALTH AND INSURANCE | IRELAND'S LEADING WEALTH PROVIDER OFFERING HIGH GROWTH, CAPITAL-LITE INCOME

We are Ireland's leading wealth provider.

Our Davy and New Ireland Assurance businesses have more than 650,000 customers.

Total AUM was a record €60 billion at the end of last year.

This has grown by more than 50% since we completed the acquisition of Davy in 2022.

Supported by the favourable dynamics across all segments - high net worth, affluent and corporate pensions, we expect AUM to grow to more than €75 billion by 2028, with an objective to hit €100 billion by 2030.

And I expect this business to be the largest source of capital light fee income growth out to 2028 and beyond.

This is supported by the strong Irish macroeconomic fundamentals, investment in our digital platforms and further cross sell into our retail customer base.

SLIDE 29 RETAIL UK | SUSTAINABLE RETURNS FOCUS AND SELECTIVE LENDING GROWTH

We have successfully repositioned our Retail UK business in recent years.

Our reshaped loan book and improved funding base are delivering attractive sustainable returns.

Our UK subsidiary reported an underlying ROTE of 16% last year, continuing the trend of strong returns from this business.

And throughout the new cycle, we expect:

- Growth through selective lending and mortgage products; and strengthened propositions and capabilities in Northern Ireland;
- Complemented by our specialist lending propositions in Great Britain.

SLIDE 30 CORPORATE & COMMERCIAL BANKING | UNRIVALLED PARTNER TO IRISH ENTERPRISE

Slide 30 covers our Corporate & Commercial Banking division.

With a very strong market position, including an SME lending share of more than 50%, we are well placed to benefit from increased house building and infrastructure investment in Ireland.

We are also deepening our relationships with our corporate customers, growing lending and fee income, leveraging our broader business model including treasury services and Davy Capital Markets.

This underpins our strategic objective to retain our leadership position in Ireland.

SLIDE 31 TECHNOLOGY AND DIGITAL INVESTMENTS TRANSFORMING PRODUCTIVITY AND DELIVERING CUSTOMER VALUE

To deliver those business line performances I've just spoken to requires ongoing digital investment.

In 2025, we delivered important enhancements.

This includes the roll out of a new SME lending platform, SEPA instant payments and a wide range of customer service improvements in our contact centres.

We also progressed our new mobile app and Zippay instant payments, both due for launch in the coming months.

Over the new strategic horizon, we are making a conscious decision to invest more than previously planned, to protect and grow our core Irish franchise and capitalise on our unique position in wealth.

Priority areas of investment include:

- Operational resilience including cyber protection;
- A new commercial digital platform;
- As referenced earlier, a scaled wealth platform and automated credit decisioning for mortgages;
- And a new UK savings platform to support long-term funding needs.

These investments offer a better customer experience and allow the Group to deepen and grow our customer base.

Earlier, I said that the Group was embedded, physically and digitally, in every community in Ireland.

The combined power of this presence is a winning formula for our customers and a source of value creation for the Group.

SLIDE 32 TANGIBLE AI PROGRESS TO DATE WITH A CLEAR PLAN TO SCALE BENEFITS

We are also embracing AI.

My focus is on creating tangible value and setting out an ambition that truly captures the positive and profoundly disruptive benefits of AI.

We see emerging tangible value from our deployments to date.

Contact centre call transfers have reduced by more than 40%, as AI connects customers with the help they need, better and faster.

AI is also protecting our customers, assessing over a billion card transactions last year to help prevent fraud.

And, we are targeting increased efficiency, reinventing our approach to KYC and customer onboarding.

These are just some examples.

We see real potential for AI to fundamentally improve a range of areas.

These include customer sales and servicing, middle- and back-office functions and change and technology delivery.

SLIDE 33 CREATING SIGNIFICANT OPERATING LEVERAGE

Now, bringing this together, this strategy builds on our strong momentum, delivering business and revenue growth, combined with a stable operating cost base which creates significant operating leverage.

We expect to see considerable topline growth in the coming years and I referenced earlier income growing on average by more than 4% per year.

And, over that period, a continued focus on cost discipline and efficiency.

As I said earlier, we are targeting a mid 40s cost income ratio by 2028, with an ambition to go beyond.

That equates to a circa 6% operating efficiency improvement over the next three years.

SLIDE 34 THREE MAJOR LEVERS TO DELIVER €250m IN COST EFFICIENCIES ACROSS THE STRATEGIC CYCLE

To meet our efficiency objectives, we have identified €250m of cost reduction.

And there are three main elements to this:

- One: Our operating model, where we have redesigned and we are simplifying our organisation and footprint;
- Two: Redesigning our customer journeys and internal processes. I referenced KYC earlier; and
- Three: Rigorously ensuring our 3rd party providers create maximum value for Bank of Ireland

And, related to this, we have radically reduced the number of 3rd parties we work with, focusing on a much deeper, more strategic, relationship with a smaller number.

Mark will provide more detail on this objective later.

SLIDE 35 PULLING IT ALL TOGETHER - STRATEGY 2028 DRIVING SIGNIFICANT SHAREHOLDER VALUE

Slide 35 sets out how our strategy will continue to drive significant shareholder value.

At its core is a more than 500 basis point increase in statutory ROTE to greater than 16% by 2028.

That equates to compound earnings per share growth in the mid to high teens.

All of which underpins continued attractive distributions to our shareholders.

We are achieving this by:

- Driving growth in Ireland from a structurally advantaged economy;
- The strength of our balance sheet;
- Making the best use of our capital;
- Investing for the future in support of customers and shareholders;
- Maintaining a very sharp focus on efficiency; and
- Competing hard, always with a focus on price discipline and risk management

Mark will now take you through our financial targets.

SLIDE 37 STRATEGY 2028 FINANCIAL TARGETS

Thanks, Myles.

SLIDE 38 IRISH ECONOMIC FUNDAMENTALS UNDERPIN GROWTH OUTLOOK

Slide 38 sets out the macro context that underpins the balance sheet growth we expect to see over the new strategy.

We expect to see CAGRs of:

- Around 3% for deposits;
- Around 4% for loans; and
- Around 10% for AUM.

For deposits and lending, we've been pragmatic in embedding some of a growing market going to new players.

An assumption which sees continued growth and momentum for Bank of Ireland's balance sheet.

SLIDE 39 DELIVERING INCOME GROWTH OF >€0.5bn OVER PLAN

This balance sheet growth and structural hedge dynamics will help total income to grow at a CAGR of more than 4%, rising to greater than €4.75bn in 2028.

NII is expected to increase from around €3.4 billion this year to more than €3.85 billion in 2028, with the growth rate accelerating as we move through the cycle.

Given the strong balance sheet drivers and the multi-year benefits from our structural hedge, which I'll come back to shortly, I see the potential for NII to reach €4bn after 2028.

We expect fee income to grow by around 4% a year over the plan, with W&I growing at a faster pace.

SLIDE 40 STRUCTURAL HEDGE €0.5bn GROSS TAILWIND ACROSS STRATEGIC CYCLE

The structural hedge is an important part of our revenue outlook.

We see it providing a gross tailwind of around €0.5 billion over the next three years as the yield moves towards the 2.5% level.

Hedge volumes will grow over the coming years as customer balances evolve.

While other hedging, for example on our fixed rate mortgages, also need to be factored into our NII, the key message here is that the structural hedge is a material positive driver which should mechanically flow into our NII as hedges roll over.

SLIDE 41 STABLE TOTAL COSTS OUTLOOK SUPPORTED BY EFFICIENCY MEASURES

We are guiding for total costs to be stable at around €2.2bn over the strategic horizon with a CAGR of around 1% from 2025 levels.

The key moving parts are:

- Inflation and investment, with investment higher than prior plans to support our strategic delivery;
- Offset by material efficiencies driven by our investment and restructuring activity; and
- Lower restructuring costs over the period

As part of this, given that around half our costs are staff related, we expect staff numbers to fall by c.3% each year, largely from natural attrition.

As Myles said earlier, operating leverage is a key outcome of our strategic plan, with our cost income ratio improving by around six points from c.52% last year to the mid 40s in 2028 and with an ambition to go further beyond that.

SLIDE 42 THREE KEY LEVERS TO DRIVE EFFICIENCY BENEFITS

Slide 42 provides details on our 3 areas of efficiency focus, each of which contribute broadly a third to meeting our total efficiency target of around €250m that Myles spoke to.

Key initiatives include:

- Completing our organisation redesign;
- The exit of non-strategic business lines;
- Material consolidation of 3rd party suppliers;
- Optimisation of KYC and onboarding journeys; and
- Transforming our UK operations.

SLIDE 43 STATUTORY ROTE TO GROW BY >500BPS DURING STRATEGIC CYCLE

Slide 43 summarises the key drivers in our statutory ROTE building to >16% by FY28, from a starting position of 12.8% last year, excluding the motor finance impact.

Franchise growth predominantly reflects the power of our brilliant Irish Retail, business and wealth franchises.

As I noted earlier, the structural hedge benefits are realised as hedges rollover at rates close to 2.5%.

And while our TNAV increases, the growth is lower than RWA growth due to DTA utilisation over the next couple of years.

The momentum in our franchises gives us confidence that ROTE can increase further in 2029 and beyond.

SLIDE 44 HIGHLY CAPITAL GENERATIVE BUSINESS SUPPORTS ATTRACTIVE DISTRIBUTIONS

We expect organic capital generation to build to >270bps by FY28, averaging around 260bps over the cycle.

Of this, around a quarter is required to support business and lending growth.

We also guide to a progressive ordinary dividend per share, supported by a payout ratio of around 50%.

This will leave us with significant amounts of surplus capital, which will be returned to shareholders, unless there are more compelling strategic opportunities.

Our objective is to operate at our c.14.5% CET1 guidance, subject to customary approvals.

SLIDE 45 FINANCIAL TARGETS – STEP CHANGE IN EARNINGS AND RETURNS PROFILE

Slide 45 recaps on our key financial targets, with growth, operating leverage and returns at the heart of our updated strategy.

Two items I would mention here are:

Firstly, we see net capital generation of c.€3.7 billion over the plan, equivalent to around a quarter of our end-2025 market capitalization; and our expectation for mid-to-high teens CAGR in earnings per share through this new cycle.

And I'd note that this guidance does not make allowance for buybacks.

Thank you, and I will now pass you back to Myles.

SLIDE 47 BANK OF IRELAND INVESTMENT CASE

Thanks ... Mark

SLIDE 48 STRATEGY 2028 DRIVING SIGNIFICANT SHAREHOLDER VALUE

Bringing our presentation to a close, let me recap:

Today, we're setting out a strategy to create significant shareholder value.

By driving growth in Ireland, optimising capital for maximum benefit and investing for the future.

This strategy stands on Bank of Ireland's unrivalled, embedded, position in one of Europe's best performing economies.

And is underpinned by our proven track record of strategic delivery, which has built the foundation and enabled the momentum that drives us forward to 2030.

Thank you for your interest in Bank of Ireland.

We will now open the floor to questions. Eamonn, over to you.

EAMONN HUGHES, CHIEF INVESTOR RELATIONS OFFICER:

Okay. As Myles said, we're now open to the floor from questions from analysts actually first taking in the room before moving to those who have joined us online. And actually for those of you in the room, you'll note that there's actually a microphone just in front of you there. So please raise your hand and we'll take them in turn. So actually just Andy, will take you first, if that's okay?

ANDREW STIMPSON, KBW:

Does this work? Yeah, just one for me, really. The increase in the CET1 target to c.14.5%. I thought there was probably more of a chance that you might reduce that at some point rather than increasing it. So

what feedback have you had from maybe your debt holders? I can't imagine that they were unhappy with anything, but what was it that made you increase that number because it probably looked like there was room to reduce that rather than increase?

MYLES O'GRADY, CHIEF EXECUTIVE OFFICER:

Yeah, thanks, Andy, for that. So as we embark on a new strategic cycle, our updated capital guidance to c.14.5% allows the Group to protect and safely grow our business. So it supports strong shareholder distributions, balance sheet growth, and indeed business model investment. And at this capital level, we see growth coming through in the strong ROTE momentum. So with an updated clean ROTE of more than 16% by 2028 underpinned by average capital generation of 260 basis points. So this is the very nice balance between growing our balance sheet safely with a strong capital position and generating very strong capital returns. And of course, we can link that to distributions, the communication of a €1.2 billion distribution for 2025, that's distributing 100% of profits. It's a progressive DPS of 11%. It's an increase in payout from 80% last year to 100% this year. So it's in that context that we've thought about our capital position out over the next three years. Thanks, Andy.

EAMONN HUGHES, CHIEF INVESTOR RELATIONS OFFICER:

Okay. Diarmaid Sheridan from Davy is next.

DIARMAID SHERIDAN, DAVY:

[Inaudible]

MYLES O'GRADY, CHIEF EXECUTIVE OFFICER:

Yeah. Thanks, Diarmaid, for that. And the question, and the heart of the competition question. I mean, firstly, I called out three really important components to our strategy today. So driving growth in Ireland, optimising capital allocation and investing. And really that growth in Ireland is the big story here. And so, we expect the lending book to grow by, on average 4%, the deposit book by 3%, and our wealth assets on average by 10%, of course, driving top line growth of 4% on income, translating with OpLev into ROTE improvement of 500 basis points.

So with that as a backdrop, I mean, from a competitive perspective, for sure, Ireland is an attractive market. You heard me say it earlier, but it's also a competitive financial services market across a range of products. There's about 20 market players, including traditional and FinTech providers. And growing our Irish business, part of that strategy, again, very encouraged by the great momentum coming out of the last cycle, growing lending and deposits by 6%, AUM by 9%.

So we enter 2026 from a position of strength, a very strong franchise. Competition is picking up a little bit for sure. We compete on three pillars. One is a footprint that offers a deep business relationship in customer service. Two is an ever-increasing digital capability. I referenced earlier a new mobile app and faster peer-to-peer payments coming out soon. And the third pillar, of course, is always going to be to offer value to our customers while maintaining pricing and risk discipline. And from a guidance perspective, Diarmaid, I think we've been pragmatic in embedding some of a growing market going to new players. I think that's a reasonable assumption. An assumption would see Bank of Ireland balance sheet and franchise grow.

On the capital point, so certainly in setting out an updated capital target of 14.5%, I mean, two observations. One is in moving to a statutory ROTE with a target of greater than 16% is a sign of our conviction to operate in line with this new guidance, meaning if we hold excess capital than clearly

statutory ROTE would be reduced. And on a related point, by looking forward, we expect to operate at 14.5% each year, and given the need to hold about 25% of Cap Gen for loan growth, 100% payout would not be a constraint looking forward. I think that's it. Thank you. Thanks, Diarmaid.

EAMONN HUGHES, CHIEF INVESTOR RELATIONS OFFICER:

That's okay. We'll move to Sanjena next. Actually, just if you can press the button on the mic, I think it'll help in terms of getting picked up, the question.

SANJENA DADAWALA, UBS

Thank you. Good morning. Sanjena Dadawala from UBS. I'm trying to better understand the net capital generation number of €3.7 billion, which as I understand, is the capital available for distributions after growth. So while the P&L to 2028 is in line to ahead of consensus, the net Cap Gen prediction is below what consensus currently has in terms of total distributions of €4.2 billion or so. Potentially half of the gap can be explained by higher RWAs, but if you could help reconcile the rest. And then secondly, on fee income, so the growth number of 4% per annum, while still good is lower than the usual 5% that we've talked about in the past, are there any specific factors weighing on this? Thank you.

MYLES O'GRADY, CHIEF EXECUTIVE OFFICER:

Super. Sanjena, thank you for that. And I'll ask Mark to take some of those. So just maybe to frame the capital gen question. So that €3.7 billion underpinned by average capital generation of 260 basis points per year, that's really important to make that point because that momentum continues. And again, of course, in support of a ROTE that is growing. And Mark, on some of the moving parts and fee income please.

MARK SPAIN, CHIEF FINANCIAL OFFICER:

Yeah, good morning, Sanjena. Yeah. So on the net Cap Gen, so maybe a couple of things there. So one, we need about 25% of organic cap to invest in growing the business. So that's certainly one factor. A second factor you might just think about is our DTAs. Actually, that benefit we have in '26 and '27. We actually use our DTAs by the middle of 2028. So those are probably two things just to bear in mind as you think about that. And on the fee income, the fee income about 4% over the cycle, maybe two things that I'd call out there. So one is for a really, really strong performance in 2025, really pleased with that. We do call out in the detail in the report, some modest one-off benefits in our life business. So I think when you adjust for that. And then the second thing is in our Retail Ireland business, we expect a change in interchange arrangements from the beginning of 2027, which costs about 15 million euros a year. So we've allowed for that in the 4% as well.

MYLES O'GRADY, CHIEF EXECUTIVE OFFICER:

And then just as a final point, I spoke earlier about the ability for our Wealth business to really supercharge our fee income and against the backdrop of AUM growth at 10%, that fee income component that's coming from Wealth is a hugely important part of our capital light income model growth. Thanks, Sanjena.

SANJENA DADAWALA, UBS

Sorry, can I just follow up on the first one? You mentioned TNAV growing less than RWAs, but would you be happy to put some numbers to that?

MARK SPAIN, CHIEF FINANCIAL OFFICER:

Yeah, for sure. So loan growth of around 4%, as we say, and Ireland growing faster within that, Sanjena. Then if you think about RWA growth as a second leg on that, a little bit less because the mix factors, for

example, Irish mortgages, UK mortgages will carry lower risk wastes than corporate. And then TNAV, because of the benefit of the DTA in particular, growing at about 1 to 2% a year over the cycle.

EAMONN HUGHES, CHIEF INVESTOR RELATIONS OFFICER:

I think Guy just had his hand up first, sorry. We'll move to him next.

GUY STEBBINGS, BNP PARIBAS:

Thank you. It's Guy Stebbings at BNP Paribas. The first question was on net interest income. Thanks for all the exhaustive guidance today. Beyond '26, just two particular points I wanted to focus on, on the structural hedge with some sort of useful colour, but maybe if you could just be a bit more specific in terms of maturing yields beyond '26 or where you expect the yield for the total hedge to go to? And then on competitive dynamics, I think you talked a little bit about maybe some share giveaways perhaps, but in terms of any impact on product spreads captured in the guidance, that'd be helpful. And then back on capital again, I guess I'm trying to understand, is the 14.5% the number because that's what's practical, given the strong starting point, the strong capital generation, and what you can realistically distribute, or is that the number because that's the right number you think the business should run to even well beyond 2028? Thank you.

MYLES O'GRADY, CHIEF EXECUTIVE OFFICER:

Yeah, thanks for that. And Mark, I'll pass to you on the NII related questions. On capital, again, it's just that point that we start into a new strategic cycle. And hopefully you've got a very strong sense that this is a growth story for Bank of Ireland out over the next three years. So we want to make sure we grow our balance sheet, grow our business really safely and make sure we've got the right capital to ensure that we can reward shareholders, that we can grow our balance sheet, that we can invest in our business model as well. So it's in that context. And again, I'd make the point that linking a 14.5% capital that we can run the business at combined with a target statutory ROTE of 16%, it gives a good balance to think about how we think about our conviction around that level of ROTE performance. And Mark?

MARK SPAIN, CHIEF FINANCIAL OFFICER:

Yeah. On the NII, I mean, maybe just to stand back for a second, I mean, this is a real story of continuing real momentum here in our NII trajectory. I think we were out with you a year ago. We gave a positive outlook on our NII trajectory to 2027. We've upgraded that outlook several times since, and we're upgrading again today. So again, specifically we're upgrading 2026 around €3.4 billion previously high 3.3s, 2027 now greater than €3.6 previously mid-3.5s, and then the new guidance today of greater than €3.85 billion and the key drivers before that balance sheet growth largely in Ireland and the benefit of the structural hedge. And I did note in the presentation that I see the potential for the business to reach four billion euros, but after 2028. And specifically then on the structural hedge maturing yields, actually we've got some details in the slide materials, but in 2027, 116bps and in 2028, 106bps. So again, when you think about the reinvestment yield that is quite a delta between the reinvestment and the maturity.

EAMONN HUGHES, CHIEF INVESTOR RELATIONS OFFICER:

Okay. Perlie, I think we can go to you next. Perlie, can you just press the button actually?

PERLIE MONG, BANK OF AMERICA:

Oh, sorry. Hello. Sorry about that. On NII, yes, you've mentioned that you've upgraded guidance a few times. And if I look at the building blocks to '26, based on today's rates and what happened in Q4 implied, I think one could make the case that even €3.4 looks like there's some conservatism embedded in that.

So what are some of the areas that could drive it higher or lower? Competition you've mentioned, and what about deposit migration to term? It looks like it's a little bit slower than expected, so just what are you assuming over there? And then on the cost side, you've mentioned 3% reduction in headcount. Is that in relation to the €250 million AI efficiency saves that you identified?

MYLES O'GRADY, CHIEF EXECUTIVE OFFICER:

Yeah, thanks, Perlie, and good to see you this morning. So I'll ask Mark to take the dynamics on interest income and certainly any potential for upside. On the cost piece, maybe if I anchor my response to the question in terms of what we're doing with operating leverage, really important. So in the context of top line growth of income of 4%, but also creating significant operating leverage from efficiencies. I've spoken about a mid-40s CIR cost income ratio by FY28, that's a six percentage point improvement versus FY25. And certainly when we get to that upper end of the mid-40s, we want to do more... and do better. The €250 million cost savings that are built into that overall outlook for that mid 40s CIR, I mean, there are three components that we called out. Much of the work has been done to get those benefits. So it's the operating model we have deployed. It is going after our customer journeys and our internal processes, and also making our third parties work really hard. Within the €250m, I would say, of those savings in the region of about 20% are coming from AI and that's important because when we go beyond 2028 and our objective to create more leverage and take our CIR lower again, AI will play a bigger role in supporting that further improvement in operating leverage.

MARK SPAIN, CHIEF FINANCIAL OFFICER:

Yeah, Perlie good morning to you. So just on the NII, maybe a way to think about this is just year-on-year, and we can look at this in different ways, but if I think about year-on-year, three moving parts relative to 2025. So firstly, rates and FX are lower relative to 2025. ECB rate about 25bps lower on the year. BOE also lower as well. So about €110 million of a headwind there. The deleveraging portfolios, and I think probably the market probably hasn't fully taken into account the impact of our US acquisition finance announcement. So about €70 million impact over three years, about €30 million of that this year. So together they're almost 200 million of a headwind. But against that, we've got the balance sheet growth, the structural hedge, the full year impact of the bond purchases we've conducted and they're more than offsetting that. That gets us to the circa €3.4 billion. So happy to get into that in more detail, but those are the big moving parts.

EAMONN HUGHES, CHIEF INVESTOR RELATIONS OFFICER:

Okay. I'll move down to actually Sheel here next. And again, just press the button, Sheel.

SHEEL SHAH, JP MORGAN:

Hello?

EAMONN HUGHES, CHIEF INVESTOR RELATIONS OFFICER:

That's it.

SHEEL SHAH, JP MORGAN:

There we go. Great. Sheel Shah, J.P. Morgan, I've got two questions please. Firstly, on the capital, again, I'm struggling to understand the point around protecting the bank. You've got RWAs that are growing, you've got a capital base that is also growing, but the capital ratio has now increased on the back of that in terms of the target. Are you holding anything back for maybe M&A or further growth opportunities beyond the organic that you're seeing across the plan? And then secondly, on costs, could I ask around the investments that you're making and the timing of these investments and the timings of the

efficiencies? You mentioned that the bulk of the investments have already been made around the org design. Could I just press you as to the shape of these costs? I appreciate that the total cost base is looking flattish, but more around the cost investments and the efficiencies. Thanks.

MYLES O'GRADY, CHIEF EXECUTIVE OFFICER:

Yeah. Very happy to, Sheel. Let me take the capital and M&A related question and, Mark, the profile of those cost savings. So Sheel, I mean, this morning we're presenting an organic strategy for Bank of Ireland out to '28. So everything we've set out today is organic growth in the context of that lending book growth, the deposit book growth, and of course our wealth business as well. So nothing included in today's material for M&A. And of course, we do have the benefit of two transformative acquisitions in recent years, Davy Wealth and of course the KBC back book as well.

And my experience is that M&A can be opportunistic, and certainly if any opportunities present themselves, I spoke about the importance on driving growth in Ireland. So that will generally be my focus in that regard. And we'll always think about an acquisition in the context that it must be aligned to our strategy, hence the Irish story. Two, that we could integrate it to ensure we generate synergies, and thirdly, that it generates strong attractive returns. So it's not an explicit linkage, but I think we can say that we are keeping a very strong capital position to grow our business and also, of course, be ready to avail of any opportunities should they present themselves. Mark?

MARK SPAIN, CHIEF FINANCIAL OFFICER:

Yeah. Hi, Sheel. So €250 million targeted over this cycle, maybe just give a bit more color on it. That's somewhere between around 12% and 14% of our addressable cost base. That's offsetting inflation and also the material investments we're making. And the three buckets we spoke about, op model, a third party and AI enabled process excellence. If I think about the phasing of that €250m, somewhere around 40-40-20 over the three years, there are clear initiatives in place, and I'll just come back to those in a second. But just to give you a sense of momentum on that, actually in our disclosures for 2025, you can see we've got €38 million of efficiencies. That's mostly H2 weighted. So about a run rate of somewhere between 2% and 3%, second half of last year, we need to get above about 4% in our cost base. So we're building towards that.

And as you note, actually members of our exec team are actually all in the room this morning. So I know they'll be really excited afterwards to tell you about what they're working on. But just to give you an example, to bring it to life, and we mentioned about material consolidation on our third party providers. So one of the things we would've worked on last year and would've been incorporating the restructuring costs of last year was on our change providers, reducing the number of providers there significantly down to around five. So all the hard work and the thinking, the RFP process, et cetera, all run during the back part of last year. And now that's actually coming to life. We're getting the benefits in this year. So that's just one example, but there are many examples.

EAMONN HUGHES, CHIEF INVESTOR RELATIONS OFFICER:

Okay.

BEN TOMS, RBC:

Ben Toms from RBC. Thanks for taking my questions. The first on competition, can you just give us some colour about what kind of competition changes you've got baked into the plan? Have you been relatively conservative there? Irish banks have been relatively conservative historically, and does it make any difference? Do you think that one of your peers potentially might get purchased over the next six months

to competition in Ireland? And then secondly, on net interest margin, could you just help us a little bit with the shape potentially of net interest margin for this year to give us an idea of the exit rate? Thank you.

MYLES O'GRADY, CHIEF EXECUTIVE OFFICER:

Super. Thank you. And on competition and as you expect, I won't comment on the particular transaction in the Irish market, but I think it is interesting in the context of something willing to come into the market. From my perspective, maybe on the harder end of it, I referenced earlier on the guidance point, I think we've been pragmatic. We simply say that the Irish market is going to continue to grow. The loan book is going to grow, the system loans will grow. For example, mortgages as a structural positive fact. I referenced earlier, private sector credit grew 6% last year. Business sentiment is quite strong. I expect that to grow as well. System deposits are also going to grow, and certainly demographically, wealth assets will also grow, and we're particularly well positioned to get the benefit of that.

But we have been pragmatic, assuming that a growing market, some of that will go to an alternative provider, but very focused on ensuring that we continue to compete. I spoke earlier to competing based on our physical footprint, plus our ever-increasing digital capabilities. I regard that as a winning formula, and we enter this period of maybe a slightly increase in competition from a very, very strong position.

MARK SPAIN, CHIEF FINANCIAL OFFICER:

Yeah, just on net interest margin. So last year, 268bps, broadly flat, half-and-half, and we expect the net interest margin going forwards to track our NII guidance.

EAMONN HUGHES, CHIEF INVESTOR RELATIONS OFFICER:

Okay. Aman?

AMAN RAKKAR, BARCLAYS:

Hi, guys. Yeah, it's Aman Rakkar from Barclays. Had a follow-up question on capital, and yeah, I'll start with that one. So a follow-up question on capital. So you're talking about the 100% payout ratio. You're talking about not being constrained going forward, but it appears to have been a constraint today. I think your distribution outturn for the year has come in below market expectations. We were all expecting a payout ratio above 100%. So why did you not pay out above 100? You've clearly got the capital to do it. And I guess I'm asking that question in the context of what feels like pretty negative signaling here around capital, in terms of you've increased your target CET1 ratio and you've come in below market expectations for distribution. So can you tell us exactly what's gone on in terms of this print and what it means going forward?

My second question was around AI actually. So clear market concern in the last couple of weeks, the highly disruptive potential impact of AI on actually the revenue streams of banks. And I look at yourself and Irish banks, you've got some of the richest product margins in Europe. Interested in your reflections. I know it's an unfair question given this is an emerging theme in real time, but just given your vantage point, interested in whether you share that view and actually to what extent you see yourself well-defended. Thank you.

MYLES O'GRADY, CHIEF EXECUTIVE OFFICER:

Super. Thanks, Aman. And let me take both of those. On the capital question, I understand the question. And I mean, just to reiterate, today we're announcing a €1.2 billion distribution, and I call that out again because it's 100% of profits, and that's an increase of a payout from 80% last year to 100% this year. So

that consistent objective of returning surplus capital back to shareholders through a combination of a progressive DPS that's up 11% on the year, but also surplus capital. And it's always going to be a point-in-time decision. And maybe to anchor it back, over the past three years, we've returned 3.5 billion to shareholders, representing 37% of our opening market cap in 2023. And again, as a measure of our commitment, of course, to hold capital to invest appropriately in our business, but also to reward shareholders as well is an absolute priority for us. It always has been, and it will continue to be so as well.

And on the go forward piece, again, I would just point to the very strong capital gen momentum that we see. So on average, 260 basis points of capital being generated on average for the next three years, that's capturing momentum, it's capturing growth, it's capturing operating leverage, all of which translates into that ROTE target of greater than 16% and that EPS growth of mid to high teens. So that's how I think about it. And certainly that priority on returning capital is unchanged. And I do think there is a dynamic that's worth calling out, maybe to the harder part of your question. If I think about looking forward, we expect to operate at 14.5% each year. And I know I'm repeating myself a little bit here, but given the 25% investment in loan growth, that 100% payout would not be a constraint going forward.

On AI, I think you're right, Aman. I've spoken to it as a positive disruptor, and that's what it is. But any disruption, of course, comes with risks and not unique to Bank of Ireland and not unique to banks actually. I mean, for all sectors, I mean, some of those risks are sector dislocation, potential employment risks into the longer term, and maybe also deflationary pressure as well. Now, they're very much into the long term. I don't think they're a clear and present risk. So it's important that we absolutely harness the benefits of AI, but also we've got a keen eye on the risks.

And again, if I link that to, it's a broader response to the question, but I think it's relevant. If I think about Ireland and its position, it's very strong economic growth expected over the next three years. That's been driven by very strong sector performance in the domestic economy. The multinational sector where we export, that's holding up well, employment is up. And really importantly, I think to the heart of your question is that the Irish government's commitment to its national development plan, €275 billion out over the next 10 years, that's going to drive and maintain economic growth in Ireland for some time. I think we can take that as a positive, and of course, as we appropriately manage those risks.

EAMONN HUGHES, CHIEF INVESTOR RELATIONS OFFICER:

Sorry, at the back here.

EOIN MULLANY, SARASIN & PARTNERS:

Good morning. Eoin Mullany from Sarasin & Partners. Just coming back on capital again, your buffer to your minimum requirement is now over 300 basis points. Should we think about that 14.5%? Should we link it to your minimum requirements so you'll run with a 300 bp buffer? So if it comes down, it should mechanically come down. And then you just talked about the national development plan. I mean, your loan growth targets don't seem that ambitious given what's coming through there. And I guess if growth were to surprise on the upside on loan growth, what gives? Is it the payout ratio or should we expect that 14.5% to come down? And then just maybe on NII, Mark, you said going to maybe €4 billion after 2028, is that 2029 or 2030, and what's driving that? Is it rates staying at 225? Is it loan growth? Is it hedge? Is it a mix of everything? Thanks.

MYLES O'GRADY, CHIEF EXECUTIVE OFFICER:

Great. Thanks for that. Let me take the first question and then I'll pass to Mark. Actually, in setting our target to be at 14.5% for our CET1 ratio, we'll always check in as to where we stand against the rest of the market. And when I look across Eurozone banks, that's about 40 banks in total. The average buffer above

MDA, as you say, is about 300 basis points. So we're pretty much comfortably in the pack in that. And certainly any mechanical change in regulatory requirements I think would have an impact on overall requirements as well. I think you can take that as a reasonable assumption.

And on the loan book growth, we've got an incredibly strong Irish franchise. We've seen that in the last three years. Loan book growth last year, deposit book growth of 6%. We have factored in very strong growth into the future. For example, the mortgage book to grow at 5% per year, that's growing faster than the Irish economy. And certainly if the economy performs stronger, if some of that 10-year national development plan happens sooner, then we're very much well-placed. We've got the balance sheet capability to support that growth, and that growth, I don't believe, would come at a cost to getting the balance right with distributions as well.

MARK SPAIN, CHIEF FINANCIAL OFFICER:

Yeah. Hi, Eoin. Good morning to you. And just to add on that last point, obviously we've got €1.7 billion of deleveraging portfolios as well, so that's going to come through. A lot of that, 2026, a little bit less of a drag, '27, '28. In terms of the NII beyond 2028, I'm giving guidance on the targets this morning to 2028, not going beyond, but my view is I don't think you'll have to wait for too long. And if I think about the drivers on that, Eoin, really, you were talking about a pretty stable rate environment at that point. There's still some benefit from the hedge at that point into 2029, but it's really back to the balance sheet growth of that deposit and loan growth, particularly in Ireland.

EAMONN HUGHES, CHIEF INVESTOR RELATIONS OFFICER:

Okay. Okay. There doesn't appear to be any further questions in the room. We can come back to ... Oh, sorry.

JORDAN BARTLAM, MEDIOBANCA:

Hi, can you hear me? Okay. Hi, it's Jordan from Mediobanca. On the loan growth point, I was just going to ask, it hasn't really been mentioned, but about 10% plus consumer lending growth this year. I wonder what was driving that? And obviously that's a lot higher margin than on the mortgage or the corporate side, so it's quite an important driver if you continue at that sort of run rate. That'd be helpful to put colour on that and where you see that piece going in the future.

MYLES O'GRADY, CHIEF EXECUTIVE OFFICER:

Yeah, thanks, Jordan. I mean, the consumer book is a relatively small component of the overall Bank of Ireland balance sheet, but what is encouraging about it, that growth in the book, I see that as a measure of, importantly, of consumer confidence and willing to borrow. And that's important because consumer confidence is the starting point for businesses having confidence to invest in their business. And so yes, of course, we will support that consumer book, but the encouraging element of it is that, I referenced earlier private sector credit in Ireland up 6% last year. When I look at our business on the ground, we've seen very strong performance in manufacturing, in engineering, retail, holding up really well. In fact, that book is growing supported, I think, by consumer confidence, which again, gives us confidence to the growth story for Ireland.

EAMONN HUGHES, CHIEF INVESTOR RELATIONS OFFICER:

Thanks, Jordan. Okay. A few hands went up there. Sorry, Mike.

MIKE EVISON, AUTONOMOUS:

Yeah, Mike Evison from Autonomous. Just two questions, please. So on the fees, thanks for giving more detail there. You're obviously guiding for some very strong AUM growth and about €0.1 billion contribution to the income growth through '28. It would just be interesting to understand where you think that growth is coming from. Is it competitive market share? Is it just general new growth? And in that context, how you think about any lost NII on that growth? So obviously deposits generate strong profits in Ireland, and are you assuming in your cross-sell any movement from the deposit book across the AUM book? And then the second question on the cost guidance, I'm just trying to put together some of the numbers. You've obviously given the mid 40s cost income ratio target for '28 and then said you're aiming or would expect to do a lower than 45% by FY30. Should we be implying from that that the mid 40s in FY28 is higher mid 40s, or should we be looking mid mid 40s there?

MYLES O'GRADY, CHIEF EXECUTIVE OFFICER:

Okay, thanks, Mike, for that. Let me take those questions. So I mean, on the fee income, I referenced earlier that our wealth business is a hugely important part of where we expect to grow capital lite fee income. It's been an incredibly strong success story, two amazing brands with Davy and New Ireland, Davy in particular, looking after our high net worth customers, and of course New Ireland, a life and protection business supporting pensions. So we want those two businesses to continue to do what they do so well, but also growing from that, there are areas that we know there are opportunities, in particular, the affluent market.

So I referenced earlier, we've got about 2.2 million Retail Ireland customers, two and a half million Retail customers, if we include Northern Ireland where Davy is present as well. Within that, it's about 150,000 affluent customers, so we want to target that. And much of our, I referenced earlier, we're spending a bit more on our investment profile. Part of that investment spend is in digital and CRM capabilities within the wealth business. So that's an area that we want to step into. And that will not only generate short to medium-term benefits, but also today's affluent customers, many tomorrow or down the line become high net worth customers. So that's a good thing to go after as well.

The other area that we are focused on is in pensions. So many private workers in Ireland don't have a pension. So using the New Ireland brand to support corporate pension growth is another area and certainly getting all our different businesses to interlink together for those cross-sells. And then stepping back from it a little bit, the demographic piece is really important as well. So we called out a 7% expected household wealth growth out to 2030. That's a huge part of this story as well.

Did I get ... Was there a second question or did I answer both? On the cost piece, sorry. Yes, sorry. Yeah. So again, the op-lev piece around getting to mid 40s, I'd say, think about the delta, it's a 6% improvement in leverage in part from a top line revenue growth of 4% and keeping our costs. There's a CAGR of about 1% or less than 1%, we'll call it stable cost, Mark, but in that we have €250 million of cost savings. So I'd say it's probably just, you can take six off the current position. But I think at the heart of your question is that we don't stop in 2028. There's real momentum here to go beyond that, and we'll push hard for that. Thanks, Mike.

EAMONN HUGHES, CHIEF INVESTOR RELATIONS OFFICER:

Okay. Any more? Sorry, Aman, back to you.

AMAN RAKKAR, BARCLAYS:

Thanks very much for letting me ask another question. Yeah, it's just about the revenue mix. So I think you're around 81% net interest income this year, and I think in terms of your forward-looking guidance, you are effectively-actively indicating an increasing shift towards net interest income from here. Is that

just a reality of the banking system that you operate in, the position that you operate in, the opportunity set that's in front of you? And are you inclined to do anything about that? Do you want to be trying to address that revenue mix at some point? And, can you?

MYLES O'GRADY, CHIEF EXECUTIVE OFFICER:

Yeah, I mean, so it's an interesting question because if you know the backstory to Irish banks, typically the fee income has been a smaller component, Aman, of the total revenue. Now we have the fantastic opportunity to grow our net interest income, which Mark has spoken to, and of course we want to do that. So that's a good story. But also, of course, we want to increase our wealth fees, our fee income. I mean, our wealth business accounted for just under 50% of our total fee income, and that's going to grow more. And of course, it's not happening, but had net interest income remained static, then fee income would've become a greater component. But it's great from a diversified income perspective; both are growing. And certainly, I would say, again, as I referenced earlier today, it's an organic story, but certainly if there's any opportunities that were to present themselves that would offer an ability to positively shift that mix, we'd certainly have a look at that.

MARK SPAIN, CHIEF FINANCIAL OFFICER:

And Aman I might just come in on it as well, because I think if you think about one of the pieces outlining today, which is actually getting behind our wealth position, we've got fantastic positions getting behind it more, investing a little bit more there, talked about the impact in the near term and costs. Actually, we see benefits in 2028, but we see benefits, even more benefits, into '29 and '30. We're making that conscious decision to invest now, recognising that the medium-term opportunity here is really, really attractive. So I think we'll see further benefits beyond 2028.

EAMONN HUGHES, CHIEF INVESTOR RELATIONS OFFICER:

That's okay. We just might give some people online an opportunity now. We can come back to the room. So look, at this time, we invite those analysts wishing to ask a question to click on the raise hand button, which will be found at the bottom of your screen. When it's your turn, you will receive a prompt and be promoted as a panelist. So please accept, wait a moment, and once you have been introduced, you may unmute yourself, turn your video on, and ask your question.

So we'll just wait for a moment now for the queue to form. Okay. Looks like our first is from Borja Ramirez in Citi, please. Boris, you may unmute your audio now. Turn on your video and ask your question. Borja, if you can hear us. Okay. We'll move on to the next question. We can come back if Rob Noble is there from Deutsche. Okay. We might just try and kind of come back to the room and try and resolve that.

ROB NOBLE, DEUTSCHE BANK:

Hello?

EAMONN HUGHES, CHIEF INVESTOR RELATIONS OFFICER:

So any more questions?

ROB NOBLE, DEUTSCHE BANK:

Can you hear me?

EAMONN HUGHES, CHIEF INVESTOR RELATIONS OFFICER:

Are we good to go? Okay.

MYLES O'GRADY, CHIEF EXECUTIVE OFFICER:

Slight time delay.

ROB NOBLE, DEUTSCHE BANK:

Am I here?

EAMONN HUGHES, CHIEF INVESTOR RELATIONS OFFICER:

Rob, can you hear us there?

ROB NOBLE, DEUTSCHE BANK:

Do you hear me now? Okay, cool. Yeah, I can hear you. You got me all right?

EAMONN HUGHES, CHIEF INVESTOR RELATIONS OFFICER:

Perfect. Go for it. Yeah.

ROB NOBLE, DEUTSCHE BANK:

Morning. Thank you for taking my questions. Just on the capital generation point, so I don't understand how 25% of the capital gets consumed by RWA or growth. So you're saying 4% loan growth, and RWA grows less than that because of the mix. So if we call it 3%, I don't understand how you'll get anywhere near 25% of the capital being consumed. So is there something in there that I'm missing or doing wrong? I guess, linked to that is you'll do 12.5% ROTE, your numbers, 12.5% ROTE this year, generating 250 BPS capital. How come 16% in 28 is only 270? It seems that it should be materially higher than that, even if you take off the DTA partially dropping off. And then the last one is on the UK. So there's a lot of spread pressure in the UK. So what spread are you writing on mortgages at the moment, and what ROE do you see in the UK within the mix of the group? And are you still happy with that? That that business adds value overall? Thank you.

MYLES O'GRADY, CHIEF EXECUTIVE OFFICER:

Yeah, good morning, Rob. And thank you for that. I'll respond to the broader question on our UK business and then ask Mark to take some of your detail on capital and indeed spreads as well. And we're very pleased with our UK business. Rob, this is a business we've worked very hard on in recent years. I called it out in my script earlier to get that business performing well. It's a combination, I think, of a full-service offering in Northern Ireland. That's particularly important because that offers efficient funding to support what I would describe broadly as specialised lending in Great Britain. That's working. So that's specialised lending supported by efficient funding. Also, an efficient operating model, we've taken costs out of that business as well. I mean, that's resulted in, for last year, if we use our UK PLC business as a proxy, it's a Return on Equity of 16%, and that trend has continued.

So earlier I spoke about three components to our strategy: driving growth in Ireland, optimising capital allocation, and three: investing for the future. The UK business sits comfortably in that second bucket, where we are optimising our capital allocation. I'm very comfortable with that business and how we have repositioned it in recent years. Mark?

MARK SPAIN, CHIEF FINANCIAL OFFICER:

Yeah, on the RWA point, Rob, so again, guidance supporting loan growth of around 4% over the cycle, RWAs around 3%. I think the other factors probably you need to think about are Op Risk RWA. And obviously, given our outlook, we'll have a higher Op Risk score of RWA based on earnings and also CRT movements, which can move in individual periods as well. So when you bring all that together, around

25%, we think is appropriate guidance at this point. Obviously in individual periods, we could do better than that, but I think about 25% overall. On the stat ROTE and the organic cap generation. So yes, there's a DTA point. I think the guidance maybe though is greater than 270. So just to note, the greater than. And also obviously we'll think about the average higher risk weights as our balance sheet grows as well in terms of the denominator. Thanks, Rob.

EAMONN HUGHES, CHIEF INVESTOR RELATIONS OFFICER:

Okay, Rob. Okay. Our next question comes from Denis in Goodbody. So Denis, if you can turn on your video and mute your line, go ahead. And I'll obviously wait a couple of seconds for you to appear.

DENIS MCGOLDRICK, GOODBODY STOCKBROKERS:

Hello, can you hear me?

EAMONN HUGHES, CHIEF INVESTOR RELATIONS OFFICER:

Yeah, Denis, all good.

DENIS MCGOLDRICK, GOODBODY STOCKBROKERS:

Great. Thanks. Good morning, Myles and Mark, and thank you for taking my questions. Just two, please, if I may. So one is the statement this morning referred to a 40 bps impact from IRB model scalars. Just if you could give us a little bit more detail on that, please, and what areas of the loan book it's referring to. And then secondly, maybe just more broadly on the Irish loan growth guidance and the National Development Plan that you mentioned, Myles, I guess, how do you think about development finance lending in that context? Is it an area you expect to move into more, and is it considered within the guidance, or are there any constraints which might stop you from leaning in a bit more into that space? Thanks.

MYLES O'GRADY, CHIEF EXECUTIVE OFFICER:

Yeah, thank you very much, Denis. Good morning. I mean, the strategy to grow our Irish business within the lending piece of that, absolutely. There are two very, very large significant structural opportunities, and one we know very well, which is in relation to housing and the supply of homes. Our mortgage book has performed very well. It grew 9% last year as a book expected to grow further out over the next three years. But of course, in support of that, infrastructural lending is hugely important to us, and we are an active player in that market. There are different components to it. For example, on the house-building side, we hit a target last year to support the development of 25,000 homes. That's really important because we typically support the building of affordable and efficient homes, and that's the right thing to do from a societal perspective, but also plays in very nicely to our mortgage business.

And beyond that, the infrastructure spend, that €275 billion by 2035, about €105 billion, I think, over the next five years or thereabouts. So we're very well poised to support that. And so that spend is going to focus on roads, infrastructure, energy. And I should say we've built up capability in that regard and that team over the last 18 months. And so we're well positioned to support that growing part of the market as well. And on IRB, Mark.

MARK SPAIN, CHIEF FINANCIAL OFFICER:

Yeah, morning, Denis. Yeah, so though that relates to scalars applied pending the approval of certain IRB models, about €2.7 billion of RWA, 40 basis points CET1 net of some capital buffers that we held, and primarily UK mortgages expect to at least partially recoup that over time. That is not built into our guidance, so that's actually upside.

EAMONN HUGHES, CHIEF INVESTOR RELATIONS OFFICER:

Okay, thank you.

MYLES O'GRADY, CHIEF EXECUTIVE OFFICER:

Thanks, Denis.

DENIS MCGOLDRICK, GOODBODY STOCKBROKERS:

That's great. Thank you.

EAMONN HUGHES, CHIEF INVESTOR RELATIONS OFFICER:

Okay. We're going to see if we can get Borja in Citi. Just give it a few seconds.

BORJA RAMIREZ, CITIGROUP:

Hello, good morning. Can you hear me now?

MYLES O'GRADY, CHIEF EXECUTIVE OFFICER:

Oh, there we go.

EAMONN HUGHES, CHIEF INVESTOR RELATIONS OFFICER:

Kept the faith.

MYLES O'GRADY, CHIEF EXECUTIVE OFFICER:

Yeah.

BORJA RAMIREZ, CITIGROUP:

Thank you. So thank you very much for your time and for taking my questions. And apologies, my video's not on, but I'm currently traveling. So I would like to ask two questions, please. Firstly, the capital generation target of over €3.75 billion, it seems conservative in my view. So I did a back-of-the-envelope estimate, and I get to like €600 million of higher net profit, cumulative over the three years. If I use the P&L targets compared to the capital generation, so I think in my view there's maybe €600 million of upside cumulatively. And then a link to this, I think there's also upside to your distribution compared to consensus. So I think if we assume a payout of around 100%, there's still around, I think, 10% upside to consensus distributions for the next three years. And I think that's interesting because with your EPS target growth, which does not include the share buybacks, you're already going to be towards the higher end of the European banks in terms of EPS growth.

So I think that's very, very interesting. And then my second question would be on the cost of risk. I understand that you are deleveraging in those portfolios that have a higher cost of risk, like US leverage finance, CRE, and UK corporate book. And also, I guess your macro is very supportive with the stimulus. So I understand there's maybe also some potential to surprise positively in the cost of risk in the medium term. That would be my second question. Thank you.

MYLES O'GRADY, CHIEF EXECUTIVE OFFICER:

Thanks, Borja, and good that we were able to patch you in. I'll ask Mark to take those questions. I mean, other than to offer an overarching comment, which is that to the extent that there is an ability to outperform any of the targets that we set out today, we'll always push ourselves hard to outperform. And

certainly if we do, that offers opportunities to reward shareholders more, to invest in our business model and indeed to grow our business. Mark, over to you.

MARK SPAIN, CHIEF FINANCIAL OFFICER:

Yeah, thanks. Good morning, Borja. So yeah, maybe a couple of thoughts on the capital generation question or observation, I would say. So one is I agree we're upgrading our guidance today over the cycle, particularly for 2028. From the emerging consensus I can see for 2028, I think we're upgrading by about 3 or 4% relative to that. And then if I think about the cap gen specifically, so we do have higher net profit, you're right, over the period, we always have to think about other moving parts and getting from profit to cap gen. So, for example, the changes in the expected loss allowance would be one that would be within that as well. And as I mentioned earlier, about 25% of that strong organic capital generation we need to invest in growing our business. So we've factored all that in; we factored in the delta between the 15.1% and the 14.5% in arriving at the €3.7 billion. But as Myles said, absolutely, if we can outperform that, we will absolutely do it. And we think we've, I think, made realistic assumptions overall, but we'll obviously look to outperform those. And then the cost of risk, actually a really good performance in the second half of last year. So our NPE ratio is down to 2.2%; that's at its lowest level over the last 15 years, so we're in really good shape. That reflects a lot of hard work, I'd say, on the ground in the second half of the year, particularly a strong last quarter of the year, so we're really pleased with that. And if you think about the low to mid-20s guidance for 2026, then, and I think it's a similar level beyond actually, by the way, I think that's an appropriate level. Borja, one of the things we've done, actually looking back over the last five or six years, is testing the cost of risk over that cycle.

And you're right, we have made decisions during that time in terms of strategic reallocation of capital, most recently on US LAF. That does support a lower cost of risk, but I'd say that at this point, low to mid-20s is an appropriate level to think about.

MYLES O'GRADY, CHIEF EXECUTIVE OFFICER:

Thanks, Borja.

BORJA RAMIREZ, CITIGROUP:

Thank you.

EAMONN HUGHES, CHIEF INVESTOR RELATIONS OFFICER:

Okay. Borja was the last online, so we'll just come back to the analysts in the room. Fatima. Again, press the button if you remember it.

FATIMA GHAZNAVI, KBW:

Hi. Yeah, thank you for taking my question. So your forward-looking guidance that you have for 2028 NII was a lot better than what people were expecting, and a big part of that is you growing the size of your structural hedge. And for that, you assume a swap rate of 2.5%. Is there any risk of the long end of the yield curve coming down? What would the risk be on that NII guidance? I think swap rates today are 10 basis points lower than what you'd guided to. Would that maybe incentivise you to change your hedging behaviour, so perhaps ramp it up a bit more slowly or think about increasing your duration at all?

MYLES O'GRADY, CHIEF EXECUTIVE OFFICER:

Thanks, Fatima. And Mark, do you want to take that?

MARK SPAIN, CHIEF FINANCIAL OFFICER:

Yeah, absolutely. Fatima, you're right. I mean, the structural hedge is a key part of our revenue outlook. And if I think about it, we've given the details in the presentation; a lot of the benefit is locked in certainly for 2026, more than 90%, more than 70% next year. But I think the other piece that came up in the question earlier is you think about the maturing yields. So maturing yields here are closer to 1% over the period. So yeah, of course there's an impact, and you can think about €9 billion a year rolling off. So you can do the maths in terms of if there's any delta in terms of the reinvestment rate, but we think getting to 2.5% even on today's curves is absolutely reasonable and realistic.

MYLES O'GRADY, CHIEF EXECUTIVE OFFICER:

Thank you.

EAMONN HUGHES, CHIEF INVESTOR RELATIONS OFFICER:

Okay. Any more questions from analysts in the room? We've one at the back.

EOIN MULLANY, SARASIN & PARTNERS:

It looks like the Irish government are going to introduce tax-free investment wrappers like there are in the UK with the ISA type structure. I was just wondering if you've embedded anything in your targets in outer years for that.

MYLES O'GRADY, CHIEF EXECUTIVE OFFICER:

Yeah, thanks, Eoin. And to backdrop that, of course is, if I understand the question correctly, it's the European Initiative on Savings and Investment Union, which is about empowering customers with better tools for wealth, growth, and retirement. And so I would say that is entirely aligned with the Bank of Ireland's strategic objective to grow our wealth business. And as Ireland's National Champion Bank, our job is to offer choice, whether that's a simple deposit account, whether that's a passive wealth account, or whether it's a more discretionary approach to it. And certainly I would be very supportive of the introduction of an ISA type product, that would be a progressive step, and we would be very happy to support that. And in many ways, the products that we're developing are, in essence, that for affluent and mass affluent markets. So it's aligned with our strategy, and we would support it.

EAMONN HUGHES, CHIEF INVESTOR RELATIONS OFFICER:

Okay. Any more questions in the room? Okay. Okay, folks, look, thanks everybody for your participation this morning. For those of you here with us in the room, you're welcome to stay for refreshments and to meet the members of the Group Executive who are here in the front rows. We look forward to also meeting as many of you as possible on our roadshow. And if you have any follow-up questions, obviously please reach out to us in Investor Relations as well. So thanks again. Have a great day.

MYLES O'GRADY, CHIEF EXECUTIVE OFFICER:

It's a busy day in the market, guys, so thank you for being here today.

MARK SPAIN, CHIEF FINANCIAL OFFICER:

Thank you so much.