2022

2022 Interim Results Announcement

30 June 2022

Bank of Ireland

Group CEO
Francesca McDonagh

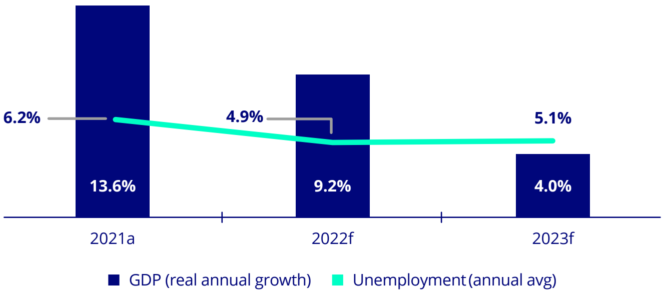
Strong business performance and strategic progress in H1 22

H1 22 Performance	**€419m** Underlying profit before tax	• Total income modestly higher vs H1 21 (excluding additional gains, valuation items and acquisitions) • Maintaining cost discipline while investing to attract customers from exiting banks • Adjusted RoTE[1] of 8.1%; on track to deliver sustainable RoTE >10% in near term
Strategic Progress	**110%** Increase in new current accounts	• State holding < 3%; expect to be fully privately owned in 2022 • Changing market structure in Irish retail banking; 110% increase in new current accounts opened vs H1 2021, supported by enhanced digital capabilities • Increased share of Ireland's attractive wealth market; Davy acquisition completed • Competition approval received for KBC Bank Ireland portfolio acquisition
Asset Quality	**5.4%** NPE ratio	• Asset quality remains strong; NPE ratio reduced during H1 22 • Net credit impairment charge of €47m includes consideration of the uncertain environment • Quality of loan books provide reassurance; coverage levels remain at 2.5%
Capital & Distributions	**15.5%** Fully Loaded CET1 ratio	• Strong business model generating organic capital of 60bps in H1 22; 80bps of capital invested on completion of Davy acquisition in June 2022 • CET1 target >13.5%; accommodates increased countercyclical buffers • Strong capital position, combined with organic capital generation, support growth in distributions on a prudent and progressive basis

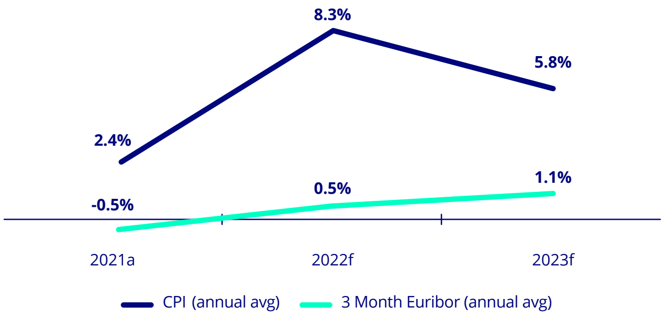
[1] Updated basis of calculation for adjusted RoTE, which excludes the pension surplus, is set out on slide 50

Irish economy resilient despite external pressures

Ireland[1]



Eurozone interest rate[2] and Irish inflation[1] outlook



- Irish economy well positioned to face global economic uncertainties
  - Notwithstanding external headwinds, Ireland is forecast to be the EU's fastest-growing economy for a third successive year in 2022, despite a recent moderation in activity
  - Exports expanding apace +14.8% y/y in Q1 2022
  - Modified domestic demand (excluding multinational sectors and stocks) was +12.6% y/y in Q1 2022
  - Record total employment of 2.5m in Q1 2022 (+8% since 2019); unemployment rate at 4.8% in June
- Irish consumers and SMEs are relatively well positioned
  - Household debt and business borrowings remain near multi-year lows
  - Ratio of household debt to disposable income (98.5% in Q4 2021) is the lowest since the series began in 2003
  - Stock of Irish household deposits at €145bn as of May 2022, +€34bn (+30%) since 2019
  - Irish businesses have strong balance sheets; core (non-property) SME borrowings have reduced to c.€13bn from c.€34bn in 2010
- Irish CPI +9.1% y/y in June 2022
  - Dampening effect of higher interest rates on economic activity and the easing of supply chain pressures expected to see inflation moderate in 2023
- House prices +14.4% y/y in May 2022; increase driven by the continued mismatch between demand and supply
  - Mortgage demand underpinned by demographic fundamentals and robust labour market

[1] Forecasts from Bank of Ireland Economic Research Unit (ERU), CPI = Consumer Price Index
[2] Market pricing as at 25/7/22
Sources: Bloomberg; Central Bank of Ireland; CSO; EU Commission

Bank of Ireland

Transformation investment achieving higher customer satisfaction, digital adoption and low-cost acquisition

+4	88%	12m hours	+36%	+15%
Improvement in customer NPS[1] h/h	Proportion of digital traffic originated via mobile app (vs 62% in 2020)	Reduction in customer toil from introduction of in-app card controls	Growth in mobile app digital traffic y/y	Increase in online banking active customer base y/y (now c.1.4m)

Delivering against commitments to enhance digital capabilities in H1 2022

Efficient and safe onboarding of customers amid bank exits

- Over 110,000 new customer current accounts opened in H1 22 (+110% y/y)
- 70% of these are digital-only
- Further significant uptick expected in H2 22

Further enhancements to mobile app leading to higher customer satisfaction

- Notable improvement in mobile app ratings since Card Controls added in 2022; highest rated domestic Irish bank mobile app
- Biometric controls launching in 2022

Launched Customer Engagement Engine

- Personalised, AI-powered 'always-on' engagement engine anticipates customer needs
- This is driving a 52% increase in personal loan leads; 15% drop in suspicious transaction queries; 248% increase in Financial Wellbeing health checks

Launch of Financial Wellbeing spending insights

- Financial Wellbeing tool launched in H1 22, full roll-out in H2 22
- Provides customers with a range of personalised insights into financial health behaviours

Accelerated digital adoption | **Enhanced customer offerings** | **Efficiency benefits**

[1] Net Promoter Score assesses overall level of satisfaction of a customer's relationship with Bank of Ireland

Responsible and Sustainable Business (RSB) strategy supports our purpose to enable our Customers, Colleagues and Communities to thrive

RSB – Progress in H1 2022

Pillar 1 Enabling all Colleagues to Thrive

- **11 new agile work hubs formally launched for colleagues;** 3 regional hubs on track for H2 delivery
- **c.5,000 (> 50% of total)** colleagues visited **Careers Lab** launched in Q1
- **77% of colleagues** are curious learners, accessing material for their own self-development
- **c.30k digital learning modules** consumed by colleagues

Pillar 2 Enhancing Financial Wellbeing

- Global Co-Lead of UNEP FI PRB[1] **Commitment to Financial Health & Inclusion Working Group**
- **Financial Wellbeing** prompts on mobile app generated 1.7m engagements in H1
- **"Big Move" campaign** to support account switching as banks exit market; **Irish current account openings +110% y/y**
- **Support for Ukrainian nationals; > 3k accounts opened**[2]

Pillar 3 Supporting the Green Transition

- **Green mortgages 48% of new Irish mortgage lending** in H1 22 (35% FY 21). Ireland's leading green mortgage lender at €2.4bn since 2019
- €1.6bn of **sustainability linked pricing** in Corporate lending commitments (+14% vs Dec-21)
- Largest provider of **wholesale finance for electrically chargeable vehicles** in Ireland
- Submission to Science Based Targets Initiative (SBTi) for approval of **SBTs** expected in H2

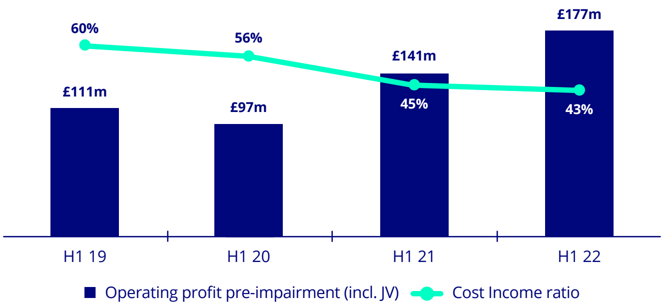
New board-level RSB Committee established in February 2022 and new Chief Sustainability Officer appointed
Significantly enhanced ESG disclosures following **publication of inaugural standalone 2021 RSB report in June 2022**

[1] UN Environment Programme Financial Initiative Principles for Responsible Banking
[2] As at 18 July 2022

Continued strategic progress in the UK

Retail UK	H1 2021	H1 2022
Net interest income	£268m	£292m
Other income (incl JV)	(£6m)	£10m
Costs	(£121m)	(£125m)
Operating profit pre-impairment	**£141m**	**£177m**
Impairment	(£2m)	(£10m)
Underlying profit / (loss)	**£139m**	**£167m**
Cost income ratio	45%	43%
Loan book	£23.6bn	£20.2bn
Deposits	£16.9bn	£13.8bn
NIM	1.95%	2.29%

Sustained improvement in profit and efficiency



Strong operating performance in H1 2022

- 9% increase in net interest income reflects higher net interest margin (+34bps y/y), supported by lower funding costs and strong momentum from 2021 lending activity
- £4m y/y increase in costs reflects digital and service investment
- UK macro outlook has softened in 2022, but modest impact on asset quality at end H1 22. Impairment loss of £10 million reflects portfolio activity and the current economic environment
- Lending balances lower (£20.2bn Jun 22 vs £21.9bn Dec 21), in line with strategy, and commercial focus on value over volume
- Deposit book lower (£13.8bn Jun 22 vs £15.8bn Dec 21), supporting margin improvement

Strategic actions delivering sustainable returns

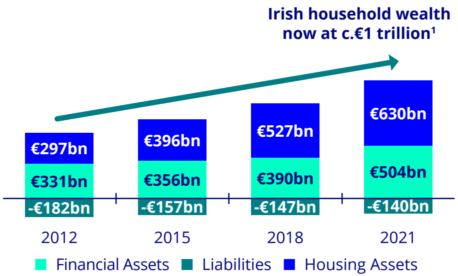
- Growth in Bespoke[1] mortgage lending, with higher margins and typically lower LTV vs standard mortgages
  - Bespoke 53% of new lending in H1 22 (vs 3% in H1 19 and 21% in H1 21)
  - Bespoke margin dynamics outperforming standard in H1 22
- Deleveraging expected to continue in H2 22; pace to reflect ongoing pricing discipline
- Competitive market conditions and macro environment reinforce our UK strategy focused on a smaller, more profitable balance sheet

[1] Bespoke is a personalised and flexible underwriting service for good quality more complex cases

Irish market leader in Wealth

Davy acquisition further strengthens already well diversified Wealth and Insurance model

Attractive wealth market backdrop

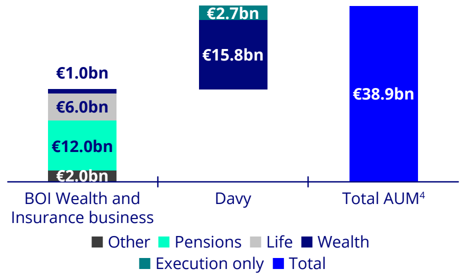


- Growing Irish household wealth relatively underinvested; c.36% of financial assets held in cash/deposits[1], high vs many European peers (UK c.26%, EU avg 32%)[2]
- Young population[3] and ongoing shift from DB to DC pension schemes provides need for more complex long term retirement planning
- Majority of market serviced by non-specialist investment providers

Enhanced market leading capabilities

- Combined business offers market leading propositions in retail, mass affluent and high net worth (HNW) wealth advisory segments
  - Range of different channels support c.600k retail and mass affluent customers within Bank of Ireland; investible assets typically < €1m
  - Davy offers wealth advisory to 6.5k affluent and HNW customers; relationship AUM typically > €1m
  - 'Davy Select' provides market leading online execution-only investment platform
- Synergy opportunities through combined capabilities and customer bases of Bank of Ireland and Davy

Strong market position reflects confidence in outlook



- Total Group AUM almost doubled to €39bn post-Davy acquisition; net inflows of €0.9bn in H1 22 (15% y/y)
- Ireland's only bancassurer; significant investment in transforming Wealth and Insurance offering in recent years
  - 9% increase in Wealth and Insurance business income y/y (ex Davy)
  - Bank channel penetration 35% (vs 26% in 2018)

[1] Central Bank of Ireland; Q4 2021 Household Financial Balance Sheet
[2] Eurostat and UK ONS, end 2020
[3] Ireland median age of population 39 years (2021, Eurostat), second lowest in EU
[4] AUM as at end June 2022

Retail Ireland franchise will be enhanced by KBC acquisition[1]

Retail Ireland performing strongly

Leading Irish retail and SME offering with a unique franchise of c.2.2m customers[2], €32.4bn of loans and €69bn of deposits; Ireland's only bancassurer

No.1 business bank in Ireland; €1.4bn in new SME term lending (+16% y/y), first period of organic[3] net growth in SME lending since 2015

€1.3bn in new mortgage lending in H1 22 (+33% y/y), 24% market share (H1 21 €1.0bn, 23%)

c.€6.8bn y/y increase in deposits as Irish households (c.32% market share) continue to build savings; positive revenue tailwind as interest rates increase

KBC portfolios will materially enhance Irish franchise

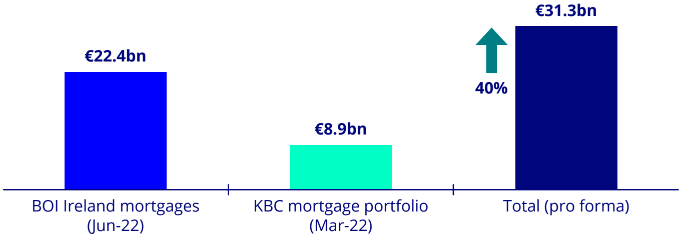
KBC transaction going through final approvals, expected to close by end Q1 2023, comprising[4]:

- c.€9.0bn of performing loans, primarily residential mortgages
- c.€4.0bn of deposit accounts; cost efficient use of excess liquidity

Enhances Irish franchise at low marginal cost

Materially accretive to earnings

KBC portfolio acquisition will add scale to Irish franchise



[1] Subject to satisfaction of remaining customary conditions to completion
[2] This figure refers to active customers who have an open product at end June 2022, had a transaction in the previous 3 months and have a balance that is not equal to zero, for personal and business banking customers
[3] Q/Q, excluding disposals
[4] Portfolio figures as at 31 March 2022; numbers at completion will reflect amortisation of portfolios now that KBC has ceased new business

Bank of Ireland

Unique growth opportunity from structural change in Irish retail banking market

Once-in-a generation opportunity for customer acquisition[1]

H1 2021 Ulster Bank and KBC announce plans to exit Irish market. **"High street" banks reducing from 5 to 3**

> 500,000
accounts will need a new banking provider over the course of 2022 (c.13% of the adult population)

> c.€22 billion
current and deposit accounts expected to move to another bank **(c.10% of total market)**

Front book market share opportunity mortgage lending c.20%, SME lending c.10% and c.10% of current accounts

Bank of Ireland response

5x capacity increase[2]
Prior investment in technology and digital adoption has allowed for safe onboarding at scale

"Big Move"
Bank of Ireland's marketing campaign launched in May to raise awareness of need to switch accounts

> 500
additional colleague resources, at **one-off investment of c.€30m**, to support customer acquisition

Delivering positive customer and commercial outcomes

> 145,000
new current and deposit accounts opened in H1 22; +c.80% y/y activity level; c.€2.4bn in balances

70%
of current account applications via digital-only channel; completed in c.6 mins

88%
of customers signing-up have given consent to engage on other products and services

Material commercial opportunity

Notwithstanding macro uncertainty, clear confidence in compelling business model which is poised to deliver improving RoTE trajectory

[1] Figures are Bank of Ireland estimates based on public financial reports and BPFI data. Market shares based on end 2020 activity, prior to announcement of planned exits. Excludes loan and deposit back books being acquired from KBC by Bank of Ireland
[2] Number of accounts that can be opened on a daily basis

Group CFO
Mark Spain

H1 2022 financial summary

- Strong business performance in H1 22; underlying profit before tax of €419m
- Total income modestly higher vs H1 21 (ex additional gains, valuation items and acquisitions)
- Net lending of €1.0bn in Corporate & Markets and Retail Ireland; UK deleveraging of €2.0bn in line with strategy
- Business income[1] 16% higher
- Operating costs 1% higher; costs 1% lower excluding acquisitions and one-off investment to capture opportunities from exiting banks
- Net credit impairment charge of €47m; NPE ratio 5.4%
- Fully Loaded CET1 15.5% post Davy completion, supported by organic capital generation
- Adjusted RoTE[2] of 8.1%

[1] Including Share of Associates and JVs and excluding Davy
[2] Updated basis of calculation for adjusted RoTE, which excludes the pension surplus, is set out on slide 50

Strong business performance in H1 2022

	H1 2021 (€m)	H1 2022 (€m)
Net interest income	1,080	1,072
Business income	282	320
Additional gains, valuation and other items	36	(3)
Total Income	**1,398**	**1,389**
Operating expenses	(837)	(849)
Levies and Regulatory charges	(96)	(95)
Operating profit pre-impairment	**465**	**445**
Net impairment charges	(1)	(47)
Share of associates / JVs	1	21
Underlying profit / (loss) before tax	**465**	**419**
Non-core Items	(59)	(84)
Profit before tax	**406**	**335**

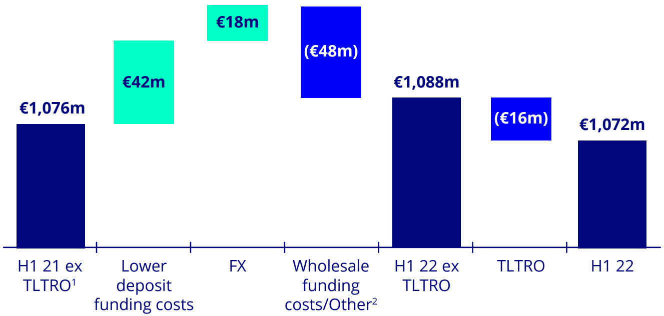
	H1 2021 (€m)	H1 2022 (€m)
Net interest margin (NIM)	1.90%	1.73%
Cost income ratio[1]	61%	61%
Underlying earnings per share	33.6c	27.3c
Return on Tangible Equity (RoTE) - adjusted[2]	8.8%	8.1%
TNAV[2]	789c	922c

- H1 22 performance[3] reflects positive business income momentum and continued focus on cost reduction, offset by market and TLTRO impact
- Operating profit pre-impairment -4% y/y reflecting
  - Net interest income modestly higher excluding TLTRO impacts
  - Business income[4] +16% y/y reflecting increased customer activity and recovery from COVID-19 impacts in H1 21
  - Additional gains, valuation and other items (€3m) vs €36m in H1 21
  - Operating expenses +1% y/y; 1% lower excluding acquisitions and one-off investment to capture opportunities from exiting banks
- Net credit impairment charge of (€47m); consideration given to the current macro uncertainties
- Non-core items of (€84m); primarily comprise acquisition, Tracker Mortgage Examination and transformation costs
- Adjusted RoTE[2] of 8.1%

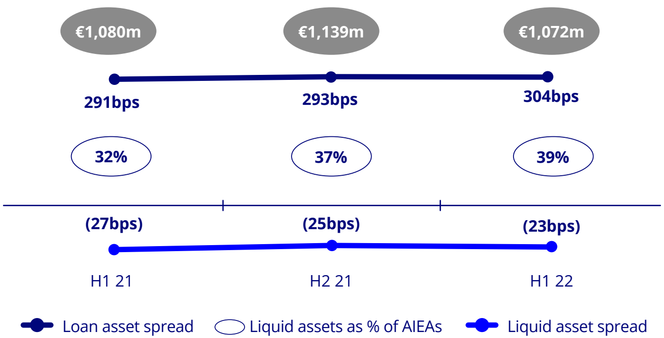
1 See slide 51 for calculation
2 Updated basis of calculation for adjusted RoTE, which excludes the pension surplus, is set out on slide 50
3 H1 22 reflects stronger yoy performance of €63m in net interest income, business income, costs and share of associates & JVs. Impairments are (€46m) higher and other impacts of (€63m) from lower TLTRO income, valuations, bond sales impact, additional investment costs, partially offset by positive FX impact
4 Including Share of Associates and JVs and excluding Davy

Net interest income modestly higher excluding TLTRO impacts

Net interest income movement



Net interest income[3]



- Net interest income H1 performance modestly higher in H1 22 vs H1 21 excluding TLTRO impacts
  - Lower funding costs due to improved UK deposit margins and expansion of negative interest rates on deposits, offset by higher wholesale funding costs
  - Positive FX impact of c.€18m
- Bond sales in H1 22 will reduce 2022 net interest income by c.(€20m), c.(€7m) impact in H1 22
- Expect to maintain TLTRO participation to maturity in March 2024, subject to no change in terms and conditions
  - Accounting impact of (€16m) in H1 22 to reverse in H2 22 with FY 22 benefit of c.€19m (H2 22 c.€35m)
- Pricing discipline maintained; loan asset spread 13bps higher H1 22 vs H1 21

2022 Outlook

- 2022 net interest income expected to be modestly higher than 2021, based on expectations for interest rates[4], and projected TLTRO benefit of c.€19m

1 c.€4m of TLTRO income included in H1 2021 NII of EUR1,080m
2 Other includes lower structural hedge income of €5m and lower liquid asset income of €4m
3 Spread = Loan asset yield or Liquid asset yield less Group's average cost of funds, excludes impact from TLTRO
4 Interest rate assumptions; ECB deposit rate of 75bps, BOE base rate of 280bps and Fed Funds rate of 325bps at end 2022

Net interest income positively geared to higher interest rates

Net interest income sensitivity to parallel shift in interest rates (annualised)

	-100bps	+50bps	+100bps
EUR (0bps)	(€160m)	€200m	€370m[1]
GBP	(€80m)	€25m	€50m
USD	(€10m)	€10m	€15m
Total	**(€250m)**	**€235m**	**€435m**

Key simplifying assumptions

- An instantaneous and sustained parallel movement in all interest rates
  - Starting point for ECB deposit rate / Euribor of 0%
- A static balance sheet in size and composition
- Assets and liabilities whose pricing is mechanically linked to market / central bank rates assumed to reprice accordingly
- Certain other assumptions including pass-throughs to assets and liabilities
- The sensitivities should not be considered a forecast of future performance in these rate scenarios as they do not capture potential management actions
- Net interest income sensitivities will change depending on interest rate starting point

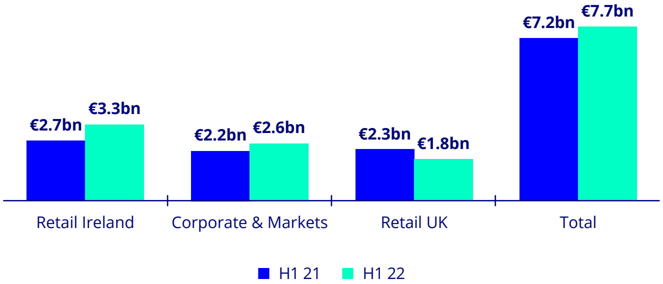
TLTRO

- Any incremental benefit from TLTRO is excluded from the sensitivity table above
- Potential for aggregate incremental net interest income of c.€100m from TLTRO in 2023/24 assuming an ECB deposit rate of 0.75% at end-2022 and 1.25% at end-2023 and no change to terms and conditions

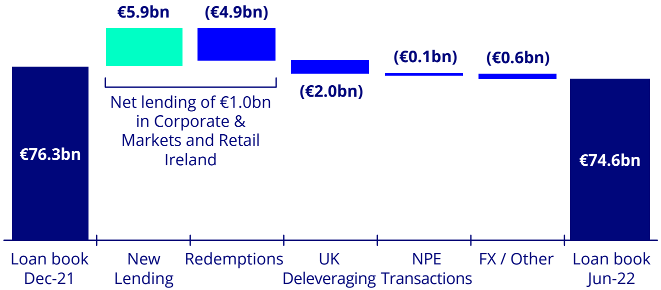
[1] +100bps interest rate sensitivity at FY21 = €190m. The difference to €370m at HY22 is explained by deposit balances (c.€15bn) on negative interest rates, the impact of positive interest rates on Euribor floored loans (€7bn), balance sheet growth in the period and other smaller items

Net lending of €1.0bn in Corporate and Retail Ireland; UK deleveraging of €2.0bn in line with strategy

New lending[1] by division



Group loan book movement



Signs of inflection in Irish retail lending trends

- Total new lending of €7.7bn in H1 22
  - Retail Ireland +25% y/y with strong growth across mortgage, business banking and consumer portfolios
  - Corporate & Markets +12% y/y with growth diversified across portfolios
  - Retail UK -19% y/y primarily driven by reduction in mortgages, reflecting pricing discipline and focus on value over volume
- Net lending of €1.0bn in Corporate and Retail Ireland in H1; further net lending in Retail Ireland anticipated in H2
- UK deleveraging of €2.0bn in line with strategy; deleveraging expected to continue in H2 22. Pace to reflect ongoing pricing discipline and market dynamics

[1] On a constant currency basis

Business income[1] +16% reflecting improving momentum

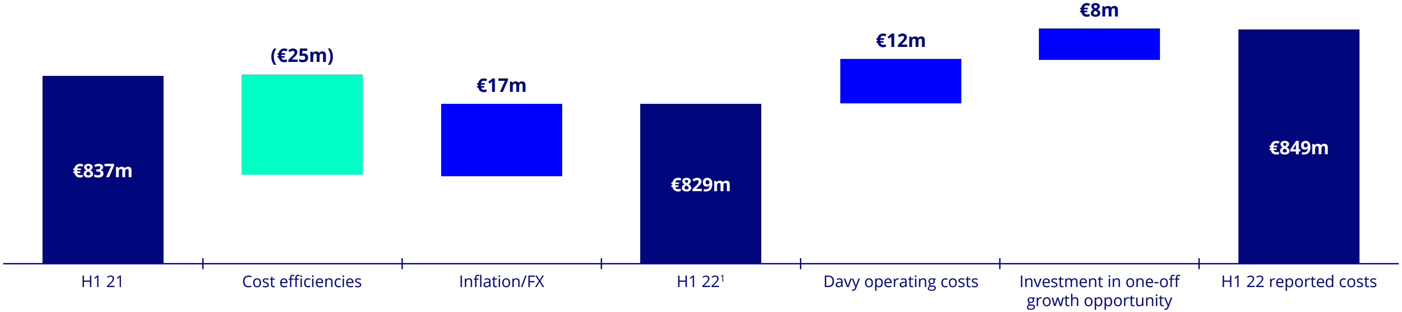
	H1 2021 (€m)	H1 2022 (€m)
Wealth and Insurance	105	114
Retail Ireland	101	131
Retail UK	(2)	(13)
Corporate and Markets	83	85
Group Centre and other	(5)	(10)
Business Income	**282**	**307**
Share of associates / JVs	1	21
Business Income incl. JVs (ex Davy)	**283**	**328**
Davy	0	13
Total Business Income	**283**	**341**
Additional gains	2	83
Valuation and other items	34	(86)
Other Income	**319**	**338**

- Wealth & Insurance +9% y/y from higher new life business and improved performance on the existing book
- Retail Ireland +30% y/y vs H1 21 due to higher current account, card fees and FX commission income. H1 21 impacted by COVID-19
- Retail UK fee expense primarily reflects profit sharing arrangement, with benefits reflected in net interest income
- Associates and JVs benefitting from recovery of UK travel industry
- Davy reflects one month's income following acquisition completion on 1 June
- Additional gains reflect H1 22 bond sales (c.€3.6bn)
- Valuation and other items reflect lower equity and bond markets

[1] Including Share of Associates and JVs and excluding Davy

Costs 1% higher; 1% lower ex Davy and one-off investment

Cost Movement



H1 performance

- Operating cost[1] reduction of 1% y/y reflects ongoing cost efficiencies partially offset by inflation and FX impact[2]
- Davy operating costs of €12m reflect one month impact following completion of acquisition on 1 June
- Additional one-off costs of €8m supporting investment to capture opportunities from exiting banks in Ireland; expect further investment of c.€20m in H2 to support new account acquisition
- Levies and regulatory charges of €95m in H1; expect full year charge of c.€140m

Cost outlook

- 2022 costs to be lower than 2021 after absorbing inflation, excluding acquisitions and one-off investment relating to onboarding customers from exiting banks
- Expect further reduction in cost base (ex acquisitions and one-off investment for growth opportunities) in 2023 supported by initiatives underway. Reported cost base will also reflect impact of acquisitions
- One-off costs for growth opportunities not anticipated beyond 2022

[1] H1 22 operating costs excluding Davy, one-off investment and levies and regulatory charges
[2] Inflation €12m and FX €5m

Non-core costs

Non-core items	H1 2021 (€m)	H1 2022 (€m)
Transformation programme costs	(69)	(23)
Acquisition costs	-	(25)
Customer redress charges	(5)	(26)
Investment return on treasury stock held for policyholders	(6)	(4)
Gross-up for policyholder tax in the Wealth and Insurance business	15	(8)
Other	6	2
Total non-core items	**(59)**	**(84)**

- Transformation programme charge (€23m) primarily relates to Retail UK restructuring
- Acquisition costs (€25m) relates to the Davy transaction. Further deferred consideration costs of c.€20m expected in H2 22
- Customer redress charges (€26m), primarily related to the ongoing Tracker Mortgage Examination review

H1 2022 net impairment charge of €47m

H1 2022

IFRS 9 models
Macro-economic update and management adjustment

€59m gain

- Gain of €19m from improved macroeconomic outlook and model updates, partially offset by higher weighting to downside scenarios (+10ppts) relative to December 2021
- Reduction in total management adjustment by €40m including
  - Reduction in COVID-19 management adjustment by €70m to €62m, partially offset by
  - New €32m management adjustment related to the uncertain economic environment
- Stock of management adjustments[2] assumed to be utilised or brought in model during H2 22

Loan loss experience and portfolio activity

€106m charge

- Net charge primarily reflects
  - Loan loss emergence on stage 3 assets and net losses related to case specific credit events

Macroeconomic scenarios[1] updated to reflect changes in economic outlook since 31 December 2021

30 June 2022	2022	2023	2024-2026
Ireland - Probability Weighted Scenario			
GDP growth	5.0%	3.7%	3.5%
Inflation (CPI)	6.7%	3.7%	1.9%
Unemployment rate	6.0%	5.9%	5.8%
Irish House Price Index	4.0%	-1.9%	0.0%
Delta vs Central Scenario			
GDP growth	-0.6%	-0.9%	-0.1%
Inflation (CPI)	0.5%	0.5%	-0.2%
Unemployment rate	0.2%	0.7%	0.8%
Irish House Price Index	-1.0%	-3.9%	-1.3%

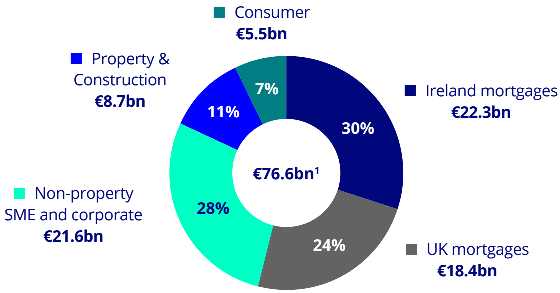
FY 22 Outlook

Subject to no material change in the economic conditions or outlook, we expect the 2022 impairment charge to be lower than 20bps

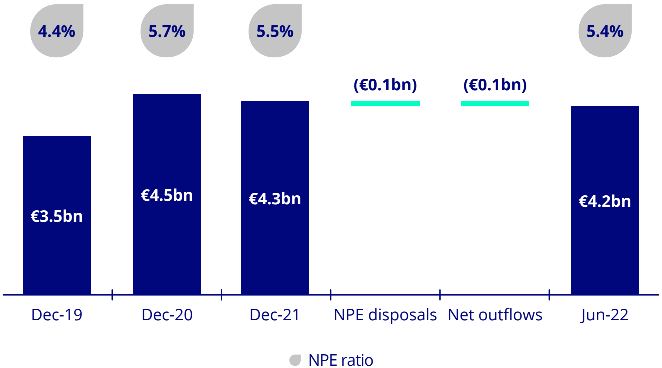
[1] See slide 42 for 2022-2026 macro-economic assumptions used in IFRS 9 models
[2] Total stock of management adjustments of €352m at June 2022 comprised of: NPEs €130m; Mortgage LGD €104m; COVID-19 €62m; economic uncertainty €32m; BBROI PD €24m

Well diversified loan book with progress on NPEs

Group loan book



NPE movements – NPE ratio at 5.4%



[1] Gross volumes do not include fair value adjustment of (€0.4bn)

Loan book strongly collateralised >80% secured

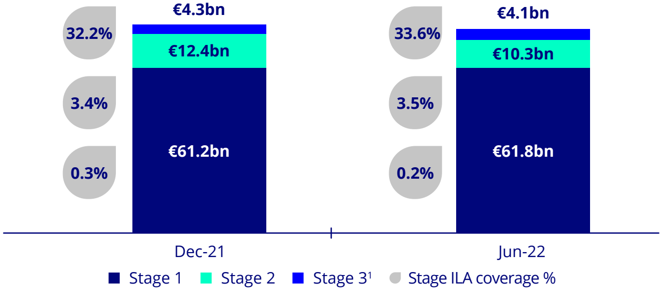
- Weighted average LTV of Ireland mortgages 53%; H1 22 new lending 74%
  - c.54% of Irish mortgages originated since introduction of macroprudential rules in 2015; strong affordability; fixed rate mortgages 62%
- Weighted average LTV of UK mortgages 55%; H1 22 new lending 70%
- CRE average LTV of 60%; with c.58% with LTV<65%
- LAF book (€5.2bn, 6.8% of Group) de-risked post FY 21 CRT (c.50% of loans)
- Consumer portfolios diversified across personal loans, credit cards and car finance

Non-performing exposures reduce to €4.2bn

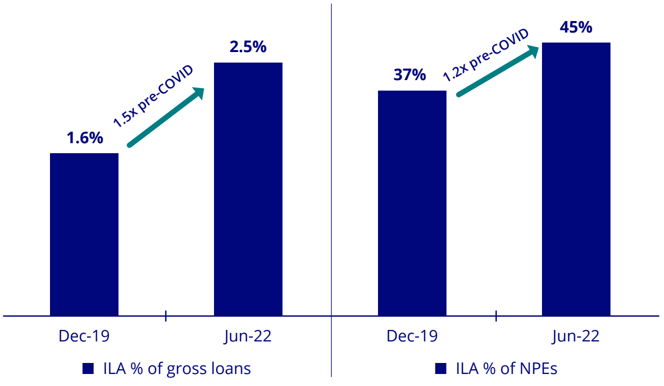
- NPE ratio reduced modestly by 10bps to 5.4%
- Proven track record of
  - Sustainable solutions with customers
  - Successful transaction execution
- Further reductions expected in H2 22 through combination of organic and inorganic activity

Prudent asset quality coverage levels in face of economic uncertainty

Group loan book by stage



Coverage levels remain conservative



[1] Includes POCI

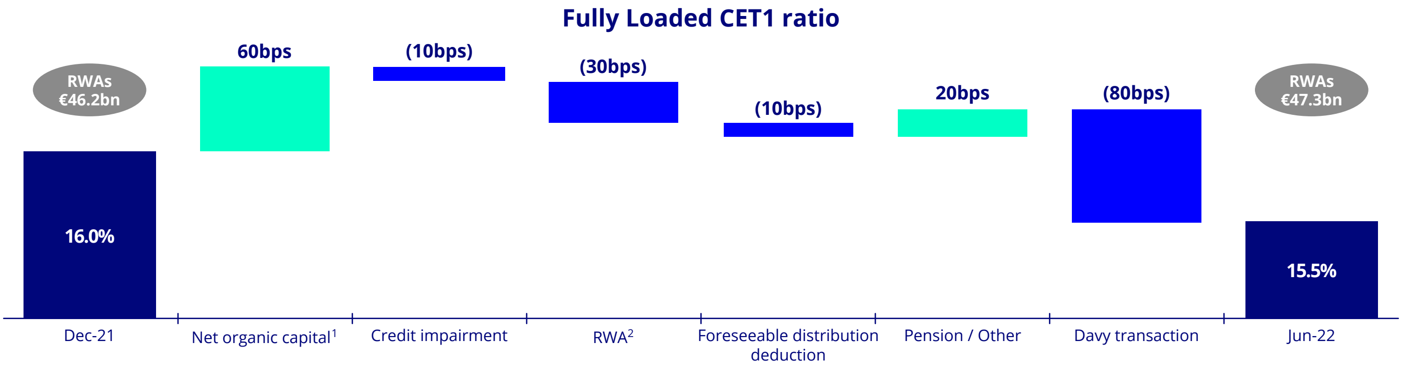
Stock of impairment loss allowance of €1.9bn

- June 2022 coverage of 2.5% unchanged vs Dec 2021; remains prudent given uncertain economic backdrop
  - Management adjustments €352m on balance sheet, 19% of total provision stock (FY 21 20%)
  - Stage 1, 2 and 3 coverage all above pre-COVID levels
- Stage 2 volumes reduced from 16% to 13% in H1 22; primarily reflects the net impact of updated COVID-19 post model staging adjustment

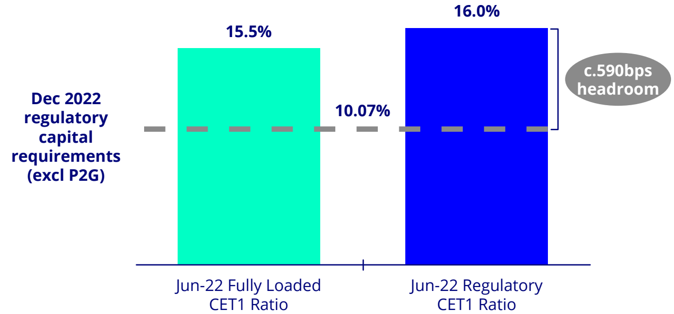
Prudent provision coverage levels

- Provision coverage remains well above pre-COVID levels; loan book coverage 1.5x pre-COVID levels, primarily driven by
  - UK mortgage coverage at 1.9x
  - Non-property SME & Corporate at 1.5x
  - Property & Construction at 1.8x
- NPE coverage at 45% is 1.2x pre-COVID level

Capital ratios remain strong



Headroom to 2022 CET1 regulatory capital requirements



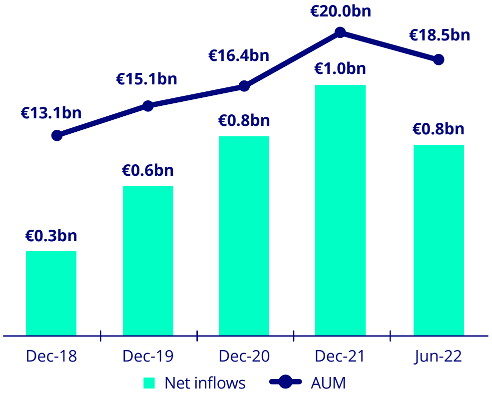
Strong capital position driven by organic capital generation

- Substantial buffer (c.590bps) to regulatory capital requirements
- Davy acquisition completed in H1; sufficient capital available for the acquisition of the KBCI portfolios (c.120bps) expected to complete by end Q1 2023
- RWAs increased by c.€1.1bn, primarily reflecting loan book mix
- Target CET1 ratio of >13.5% reflects increased countercyclical buffers
- Foreseeable distribution accrual at c.50% of FY 21 levels; final full year distribution decision to be taken with FY 22 results

[1] Net organic capital generation primarily consists of attributable profit and movements in regulatory deductions excluding impairment. H1 22 includes transformation investment previously excluded from organic capital; H1 21 net organic capital generation of 60bps on a like-for-like basis

[2] RWA movements from changes in loan book mix, asset quality and movements in other RWAs

Financial benefits of acquisitions



Material enhancement of Wealth franchise

- Momentum in Davy wealth business translating into strong profit growth; reflects quality of franchise
- Davy track record of strong net inflows[1] growth in recent years; H1 performance robust despite challenging market conditions
- Overall Davy underlying profit of €12m in H1 22[2], reflecting income of c.€86m and costs of c.€74m. Similar performance expected in H2 22
- Financial performance will benefit from BOI's distribution reach over time

KBC transaction expected to close by end Q1 2023

- Comprises loans of c.€9.2bn and deposits of c.€4.0bn at end March 2022
  - Loans include performing mortgages c.€8.9bn, SME/consumer finance of c.€0.1bn and NPEs of c.€0.2bn
  - Loan portfolios will reduce by completion as KBC has ceased new origination
- Financial effects remain in line with previous guidance
  - Annualised 2023 net interest income benefit of c.€160m, incremental operating expenses of c.€25m; contribution to earnings will reduce over time as the portfolios redeem
  - Capital investment of c.120bps on completion, reflecting RWA impacts and day 1 expected credit loss
  - Group's June 2022 pro forma NPE ratio would reduce by c.0.3% to 5.1%

[1] New funds inflows minus redemptions; excludes impact on AUM from market movement
[2] On pro forma basis assuming Davy was part of Group from January 1, 2022. Deal actually completed on June 1 2022

2022 outlook

Profitability

- Total income (excluding acquisitions)
  - Modestly higher net interest income
  - Higher business income
  - Unchanged additional gains and valuation items vs H1 22
- 2022 costs to be lower than 2021 after absorbing inflation, excluding acquisitions and one-off investment relating to onboarding customers from exiting banks
  - One-off investment of c.€30m expected to capture opportunities from exiting banks
- Davy H2 performance expected to be similar to H1

Asset Quality

- Impairment charge to be lower than 20bps subject to no material change in economic conditions or outlook
- NPEs to continue to reduce through combination of organic and inorganic activity

Capital

- Strong organic capital generation in 2022; capital outlook supports continued growth and investment
- CET1 target >13.5%; accommodates increased countercyclical buffers
- Distributions expected to increase on a prudent and progressive basis

Summary

- Strong business performance in H1 22 reflected in financial performance
- Net interest income positively geared to higher interest rates
- Maintaining rigorous cost discipline, notwithstanding inflationary headwinds
- Vigilance on credit quality, with a prudent approach to coverage levels
- Davy acquisition complete; materially increases Bank of Ireland's share of attractive Irish wealth market
- KBC transaction adds scale to Irish retail franchise (expected to complete by end Q1 2023)
- Business model positioned to attract customers from exiting banks - once in a generation opportunity; positive start to H1 22
- State shareholding < 3%; full private ownership in sight

On track to deliver sustainable RoTE > 10% in near term

Appendix

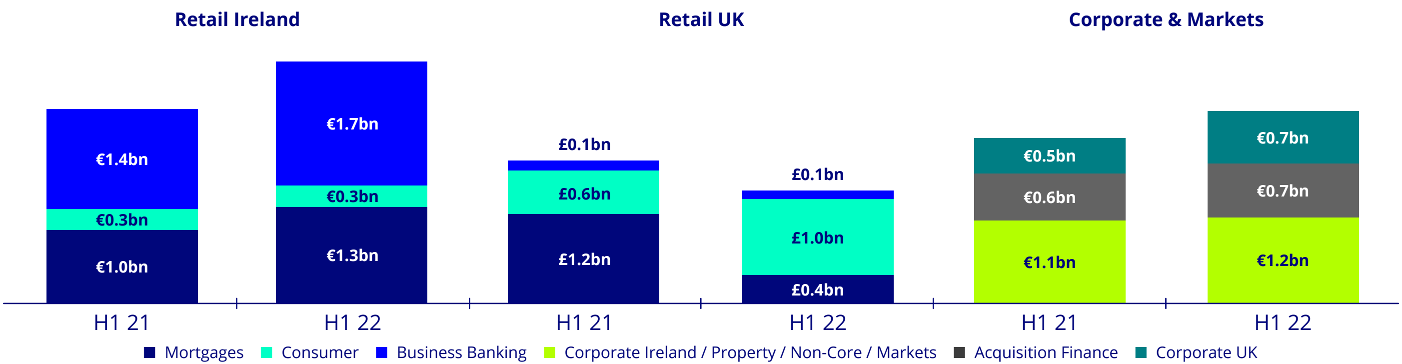
Appendix

Overview of customer loans

Profile of customer loans[1] at June 2022 (Gross)

Composition (Jun 22)	Ireland (€bn)	UK (€bn)	RoW (€bn)	Total (€bn)	Total (%)
Mortgages	**22.3**	**18.4**	**0.0**	**40.7**	**53%**
Non-property SME and corporate	**10.7**	**5.6**	**5.3**	**21.6**	**28%**
Property & construction	**5.4**	**1.5**	**1.8**	**8.7**	**11%**
Consumer	**2.0**	**3.4**	**0.0**	**5.5**	**7%**
Other[2]	(0.2)	(0.2)	0.0	(0.4)	0%
Customer loans (gross)	**40.3**	**28.7**	**7.2**	**76.2**	**100%**
Geographic (%)	53%	38%	9%	100%	

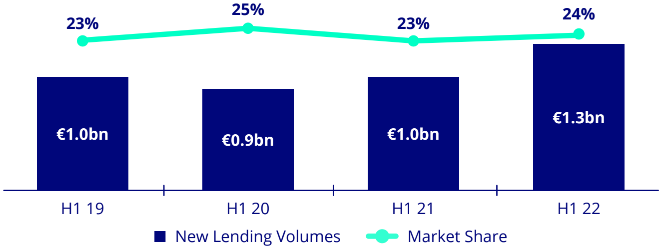
Gross new lending volumes



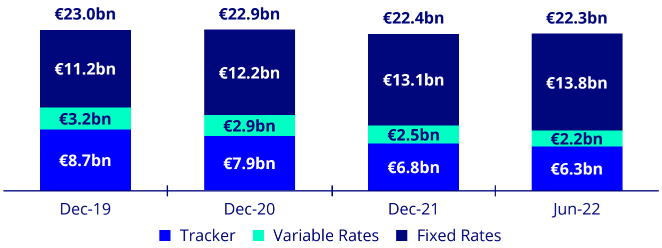
[1] Based on geographic location of customer
[2] Other reflects fair value hedge adjustments at 30 June 2022

Ireland Mortgages: €22.3bn

New Lending volumes and Market Share



Ireland Mortgages (gross)



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.96% of our new lending in H1 2022, up from c.30% in 2014

Distribution strategy – continued expansion into broker channel

- The Group has continued building out The Mortgage Store broker channel in 2022, establishing a large network of active brokers at a national level

Wider proposition

- 6 in 10 Ireland customers who take out a new mortgage take out a life assurance policy through the Bank of Ireland Group
- 4 in 10 Ireland customers who take out a new mortgage take out a general insurance policy through the Bank of Ireland Group with insurance partners

LTV profile

- Average LTV of 53% on mortgage stock at June 2022 (December 2021: 54%)
- Average LTV of 74% on new mortgages in H1 2022 (2021: 71%)

Tracker mortgages

- €6bn or 97% of trackers at June 2022 are on a capital and interest repayment basis
- 83% of trackers are Owner Occupier mortgages; 17% of trackers are Buy-to-Let mortgages
- Loan asset spread on ECB tracker mortgages was c.102bps[1] in H1 2022

[1] Average customer pay rate of 113bps less Group average cost of funds of 11bps

Bank of Ireland

Income statement

Net interest income analysis

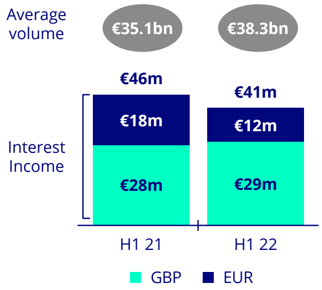
	H2 2020			H1 2021			H2 2021			H1 2022		
	Average Volumes (€bn)	Gross Interest (€m)	Gross Rate (%)	Average Volumes (€bn)	Gross Interest (€m)	Gross Rate (%)	Average Volumes (€bn)	Gross Interest (€m)	Gross Rate (%)	Average Volumes (€bn)	Gross Interest (€m)	Gross Rate (%)
Ireland Loans	33.0	546	3.29%	32.8	537	3.30%	32.3	526	3.23%	32.2	507	3.17%
UK Loans	27.1	349	2.56%	27.8	350	2.54%	26.8	341	2.53%	25.0	351	2.83%
C&T	16.9	292	3.44%	17.5	296	3.41%	18.1	317	3.47%	18.8	334	3.58%
Total Loans and Advances to Customers	**77.0**	**1,187**	**3.07%**	**78.1**	**1,183**	**3.05%**	**77.2**	**1,184**	**3.04%**	**76.0**	**1,192**	**3.16%**
Liquid Assets[1]	28.7	(5)	(0.03%)	36.8	(24)	(0.13%)	46.2	(32)	(0.14%)	49.3	(28)	(0.11%)
Total Liquid Assets	**28.7**	**(5)**	**(0.03%)**	**36.8**	**(24)**	**(0.13%)**	**46.2**	**(32)**	**(0.14%)**	**49.3**	**(28)**	**(0.11%)**
Total Interest Earning Assets	**105.6**	**1,183**	**2.22%**	**114.9**	**1,159**	**2.03%**	**123.4**	**1,152**	**1.85%**	**125.3**	**1,164**	**1.87%**
Ireland Deposits	21.6	(-)	(0.00%)	22.2	6	0.05%	22.5	9	0.08%	22.9	11	0.09%
Credit Balances[2]	43.8	12	0.06%	47.1	18	0.08%	50.2	26	0.10%	53.2	32	0.12%
UK Deposits	16.5	(60)	(0.72%)	15.5	(40)	(0.52%)	14.3	(28)	(0.38%)	12.4	(17)	(0.28%)
C&T Deposits	4.2	2	0.09%	3.8	4	0.20%	3.9	4	0.20%	4.1	3	0.15%
Total Deposits	**86.1**	**(46)**	**(0.11%)**	**88.7**	**(12)**	**(0.03%)**	**90.9**	**11**	**0.02%**	**92.7**	**29**	**0.06%**
Wholesale Funding[1,3]	9.1	(36)	(0.78%)	14.6	(30)	(0.42%)	20.4	(40)	(0.39%)	21.3	(61)	(0.58%)
Subordinated Liabilities	1.4	(28)	(4.02%)	1.5	(30)	(3.95%)	1.9	(33)	(3.36%)	2.0	(36)	(3.69%)
Total Interest Bearing Liabilities	**96.6**	**(110)**	**(0.23%)**	**104.9**	**(72)**	**(0.14%)**	**113.3**	**(61)**	**(0.11%)**	**116.0**	**(68)**	**(0.12%)**
Other[1,4]		(20)			(5)			48			(24)	
Net Interest Margin as reported	**105.6**	**1,052**	**1.98%**	**114.9**	**1,080**	**1.90%**	**123.4**	**1,139**	**1.83%**	**125.3**	**1,072**	**1.73%**
Average ECB Base rate			0.00%			0.00%			0.00%			0.00%
Average 3 month Euribor			(0.50%)			(0.54%)			(0.56%)			(0.44%)
Average BOE Base rate			0.10%			0.10%			0.11%			0.71%

1 Volume impact of TLTRO included in liquid assets and wholesale funding; Income impact (€16m) of TLTRO in H1 22 included in Other
2 Credit balances in H1 2022: ROI €41.7bn, UK €5.3bn, C&T €6.2bn
3 Includes impact of credit risk transfer transactions executed in Dec 2016, Nov 2017, Dec 2019, Oct 2021 and Dec 2021
4 Includes IFRS 16 lease expense, interest on certain FVPTL items and adjustments that are of a non-recurring nature such as customer termination fees and EIR adjustments

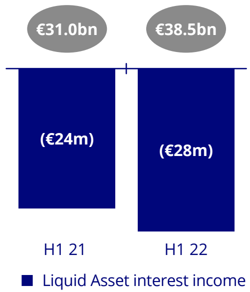
Bank of Ireland

Structural hedge, liquid assets, net interest margin and negative interest rates

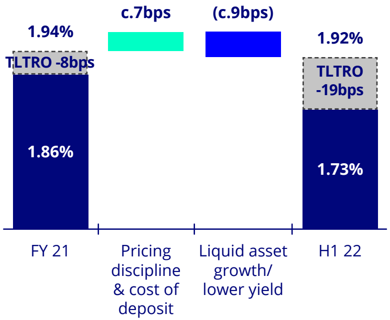
Structural hedge[1]



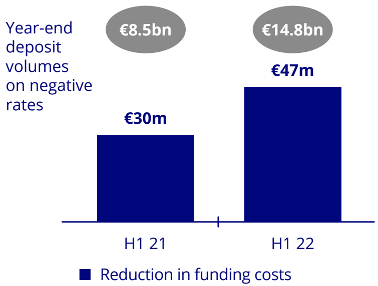
Liquid assets[2]



NIM movement



Application of NIR delivering reduction in funding costs



Structural hedge & liquid assets

- Structural hedge and liquid asset income reducing as a result of the negative interest rate environment
  - Avg structural hedge yield fell from c.26bps to c.21bps between H1 21 and H1 22
  - Decline in liquid asset income primarily from c.€7.5bn increase in liquid assets (reflecting retail deposit growth), partially offset by increase in avg 3 month Euribor rate (c.10bps)

Net interest margin (NIM)

- Underlying NIM -2bps vs FY 21
  - Pricing discipline on lending and deposits +c.7bps contribution to NIM
  - Growth in volume of liquid assets (ex TLTRO) and lower yields -c.9bps impact on NIM
  - TLTRO mechanically lowers NIM by 19bps

Negative interest rates (NIR)

- Application of NIR to deposit customers expanded during 2021, minimal attrition during H1 22
  - Volume of customer deposits on negative rates was €14.8bn at June 2022
  - Reduction in funding costs of €47m in H1 22

[1] Gross interest income from fixed leg of hedging swap
[2] Excludes any impact from TLTRO on liquid assets

Non-performing exposures by portfolio

Composition (Jun-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	**40.7**	**1.6**	**4.0%**	**0.5**	**31%**
– Republic of Ireland	22.4	0.9	4.0%	0.4	45%
– UK	18.4	0.7	4.0%	0.1	15%
Non-property SME and corporate	**21.6**	**1.6**	**7.2%**	**0.8**	**49%**
– Republic of Ireland SME	7.2	0.7	9.5%	0.4	58%
– UK SME	1.7	0.1	7.7%	0.0	39%
– Corporate	12.7	0.7	5.8%	0.3	43%
Property and construction	**8.7**	**0.8**	**9.6%**	**0.4**	**53%**
– Investment	7.6	0.8	10.6%	0.4	52%
– Development	1.1	0.0	2.5%	0.0	73%
Consumer	**5.5**	**0.1**	**2.4%**	**0.2**	**116%**
Other[1]	(0.4)	-	-	-	0%
Total loans and advances to customers	**76.2**	**4.2**	**5.5%**	**1.9**	**45%**

Composition (Dec-21)	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	**43.3**	**1.8**	**4.2%**	**0.5**	**28%**
– Republic of Ireland	22.4	1.1	4.7%	0.4	39%
– UK	20.9	0.7	3.6%	0.1	12%
Non-property SME and corporate	**20.9**	**1.3**	**6.4%**	**0.8**	**57%**
– Republic of Ireland SME	7.0	0.7	9.8%	0.4	61%
– UK SME	1.8	0.1	7.8%	0.1	45%
– Corporate	12.1	0.5	4.2%	0.3	55%
Property and construction	**8.6**	**1.0**	**12.2%**	**0.5**	**51%**
– Investment	7.6	1.0	13.4%	0.5	50%
– Development	1.0	0.0	3.1%	0.0	56%
Consumer	**5.2**	**0.2**	**2.6%**	**0.2**	**125%**
Other[1]	(0.1)	-	-	-	0%
Total loans and advances to customers	**77.9**	**4.3**	**5.5%**	**2.0**	**46%**

1 Other reflects fair value hedge adjustments

Portfolio by stage

Composition (Jun-22)	Gross carrying amount (before impairment loss allowance)					Impairment loss allowance					ILA % of gross loans
Sectoral analysis by stage	**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**	
Residential Mortgages	**37,278**	**1,832**	**1,606**	**4**	**40,720**	**23**	**54**	**433**	**1**	**511**	**1.3%**
– Ireland	20,141	1,304	884	4	22,333	13	43	351	1	408	1.8%
– UK	17,137	528	722	-	18,387	10	11	82	–	103	0.6%
Non-property SME and corporate	**15,612**	**4,475**	**1,530**	**16**	**21,633**	**60**	**205**	**500**	**3**	**768**	**3.6%**
– Ireland SME	4,721	1,819	684	-	7,224	38	102	269	–	409	5.7%
– UK SME	1,298	293	128	-	1,719	4	13	26	–	43	2.5%
– Corporate	9,593	2,363	718	16	12,690	18	90	205	3	316	2.5%
Property and construction	**4,166**	**3,710**	**768**	**62**	**8,706**	**9**	**58**	**352**	**25**	**444**	**5.1%**
– Investment	3,525	3,285	740	62	7,612	6	47	345	25	423	5.6%
– Development	641	425	28	-	1,094	3	11	7	–	21	1.9%
Consumer	**5,129**	**233**	**133**	**-**	**5,495**	**45**	**37**	**73**	**–**	**155**	**2.8%**
– Motor Lending UK	1,844	48	25	-	1,917	7	4	11	–	22	1.1%
– Loans UK	1,370	46	40	-	1,456	22	21	30	–	73	5.0%
– Motor Lending Ireland	771	-	24	-	795	6	-	8	–	14	1.8%
– Loans Ireland	684	123	31	-	838	8	10	15	–	33	3.9%
– Credit Cards Ireland	460	16	13	-	489	2	2	9	–	13	2.7%
– Other (fair value adjustment)	(400)	-	-	-	(400)	-	-	-	-	-	-0.0%
Total	**61,785**	**10,250**	**4,037**	**82**	**76,154**	**137**	**354**	**1,358**	**29**	**1,878**	**2.5%**

Composition (Dec-21)	Gross carrying amount (before impairment loss allowance)					Impairment loss allowance					ILA % of gross loans
Sectoral analysis by stage	**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**	
Residential Mortgages	**38,708**	**2,779**	**1,773**	**2**	**43,262**	**28**	**60**	**416**	**-**	**504**	**1.2%**
– Ireland	19,573	1,776	1,047	2	22,398	17	47	362	-	426	1.9%
– UK	19,135	1,003	726	-	20,864	11	13	54	-	78	0.4%
Non-property SME and corporate	**14,430**	**5,100**	**1,305**	**15**	**20,850**	**67**	**247**	**439**	**2**	**755**	**3.6%**
– Ireland SME	4,258	2,076	680	-	7,014	39	136	258	-	433	6.2%
– UK SME	1,161	450	137	-	1,748	4	16	30	-	50	3.0%
– Corporate	9,011	2,574	488	15	12,088	24	95	151	2	272	2.3%
Property and construction	**3,280**	**4,299**	**970**	**64**	**8,613**	**10**	**78**	**416**	**23**	**527**	**6.1%**
– Investment	2,596	3,953	939	64	7,552	6	71	408	23	508	6.7%
– Development	684	346	31	-	1,061	4	7	8	-	19	1.8%
Consumer	**4,863**	**229**	**137**	**-**	**5,229**	**65**	**31**	**76**	**-**	**172**	**3.3%**
– Motor Lending UK	1,731	46	26	-	1,803	**7**	3	11	-	21	1.2%
– Loans UK	1,297	48	43	-	1,388	39	19	33	-	91	6.6%
– Motor Lending Ireland	720	-	27	-	747	8	-	9	-	17	2.3%
– Loans Ireland	653	122	30	-	805	9	7	16	-	32	4.0%
– Credit Cards Ireland	462	13	11	-	486	2	2	7	-	11	2.3%
– Other (fair value adjustment)	(76)	-	-	-	(76)	-	-	-	-	-	0.0%
Total	**61,205**	**12,407**	**4,185**	**81**	**77,878**	**170**	**416**	**1,347**	**25**	**1,958**	**2.5%**

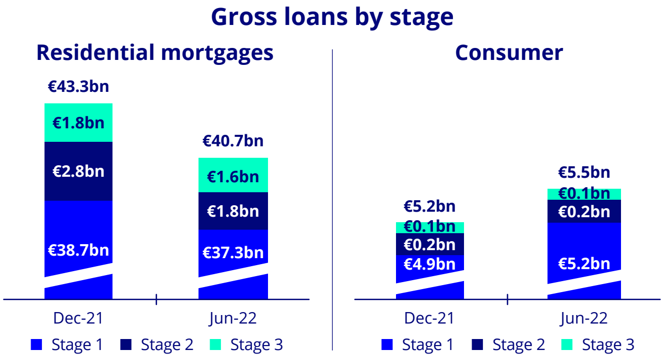
Non-property SME and Corporate by stage[1,2]

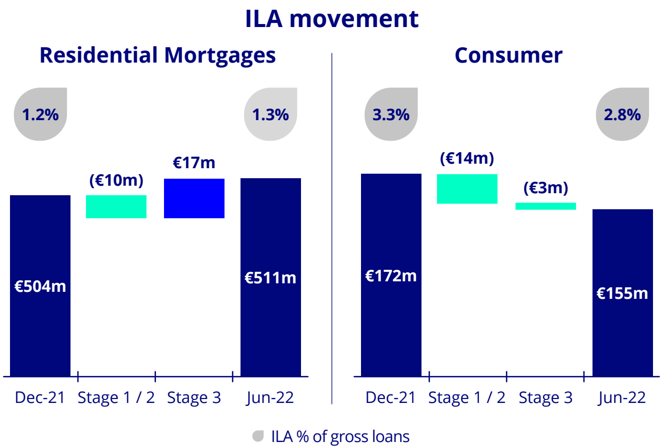
Composition (Jun-22)	Gross carrying amount (before impairment loss allowance)					Impairment loss allowance					ILA % of gross loans
Sectoral analysis by stage	Stage 1 €m	Stage 2 €m	Stage 3 €m	POCI €m	Total €m	Stage 1 €m	Stage 2 €m	Stage 3 €m	POCI €m	Total €m	
Non-property SME and corporate											
– Manufacturing	3,631	981	244	-	4,856	12	51	80	–	143	2.9%
– Administrative and support service activities	2,337	663	202	16	3,218	7	37	83	3	130	4.0%
– Wholesale and retail trade	1,689	351	82	-	2,122	9	12	37	-	58	2.7%
– Accommodation and food service activities	553	879	232	-	1,664	2	20	53	–	75	4.5%
– Agriculture, forestry and fishing	1,304	144	117	-	1,565	9	5	37	–	51	3.3%
– Human health services and social work activities	865	389	193	-	1,447	3	18	25	–	46	3.2%
– Financial and insurance activities	981	48	16	-	1,045	1	5	7	–	13	1.2%
– Transport and storage	501	231	147	-	879	2	8	55	–	65	7.4%
– Professional, scientific and technical activities	640	87	34	-	761	2	3	16	–	21	2.8%
– Real estate activities	331	255	111	-	697	4	15	47	–	66	9.5%
– Other services	452	111	72	-	635	2	5	32	–	39	6.1%
– Education	439	30	1	-	470	2	1	1	–	4	0.9%
– Arts, entertainment and recreation	224	187	39	-	450	-	18	14	–	32	7.1%
– Other sectors	1,665	119	40	-	1,824	5	7	13	–	25	1.4%
Total	**15,612**	**4,475**	**1,530**	**16**	**21,633**	**60**	**205**	**500**	**3**	**768**	**3.6%**

Composition (Dec-21)	Gross carrying amount (before impairment loss allowance)					Impairment loss allowance					ILA % of gross loans
Sectoral analysis by stage	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	
Non-property SME and corporate											
– Manufacturing	3,239	876	127	-	4,242	12	39	32	–	83	2.0%
– Administrative and support service activities	1,803	762	122	15	2,702	7	41	51	2	101	3.7%
– Wholesale and retail trade	1,895	301	111	-	2,307	10	16	49	–	75	3.3%
– Agriculture, forestry and fishing	1,427	159	124	-	1,710	11	7	36	–	54	3.2%
– Accommodation and food service activities	243	1,231	227	-	1,701	1	44	53	–	98	5.8%
– Human health services and social work activities	994	604	65	-	1,663	5	30	21	–	56	3.4%
– Financial and insurance activities	988	50	16	-	1,054	2	4	7	–	13	1.2%
– Transport and storage	568	189	150	-	907	3	8	56	–	67	7.4%
– Other services	619	170	97	-	886	2	11	48	–	61	6.9%
– Real estate activities	418	242	112	-	772	5	15	46	–	66	8.5%
– Professional, scientific and technical activities	578	99	26	-	703	4	3	9	–	16	2.3%
– Arts, entertainment and recreation	199	233	60	-	492	-	21	16	–	37	7.5%
– Education	375	28	1	-	404	2	1	-	–	3	0.7%
– Other sectors	1,084	156	67	-	1,307	3	7	15	–	25	1.9%
Total	**14,430**	**5,100**	**1,305**	**15**	**20,850**	**67**	**247**	**439**	**2**	**755**	**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





Residential mortgages

- Mortgage portfolios 53% of Group loan book
  - Average LTV of 53% of stock
  - 94% of the portfolio has LTV >80%
- Stage 2 loans decreased from €2.8bn at Dec 2021 to €1.8bn at June 2022 due to reductions from FLI/model updates and positive portfolio activity
- Stage 3 loans reduced by €0.2bn primarily reflecting the NPE mortgage transaction, with stage 3 cover increasing to 27% at June 2022 (24% at Dec 2021) reflecting changes to LGD model and impact of management adjustments
- €7m increase in impairment loss allowance due to impact of changes to the LGD model components and management adjustments, partly offset by improved FLI update
- Impairment coverage increased from 1.2% at Dec 2021 to 1.3% at June 2022, and remains above Dec 2019 level of 0.9%

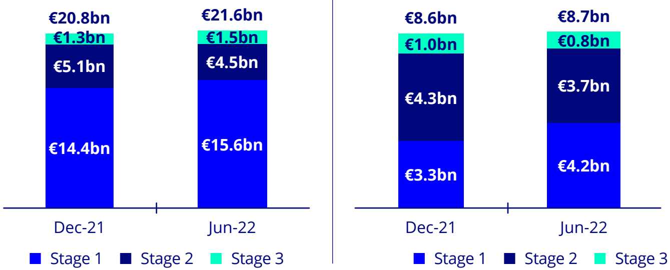
Consumer

- 7% of Group loan book
- €17m decrease in impairment loss allowance primarily related to FLI model updates
- Impairment coverage decreased from 3.3% at Dec 2021 to 2.8% at June 2022, primarily due to reduction in COVID-19 PMA

Non-property SME and corporate / Property & Construction

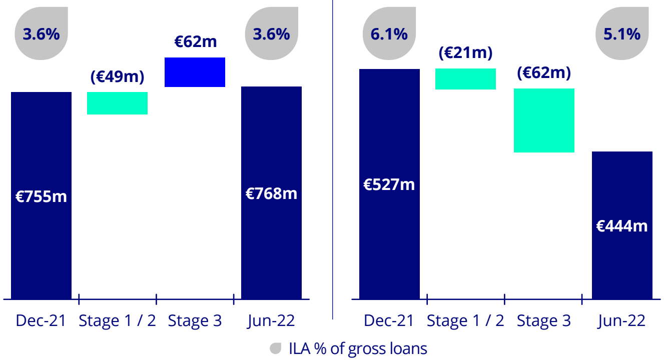
Gross loans by stage

Non-property SME and corporate | Property and construction



ILA movement

Non-property SME and corporate | Property and construction



Non-property SME and corporate

- 28% of Group loan book, well diversified by geography and sector
- €0.6bn decrease in Stage 2 loans since Dec 2021 due to a reduction in the COVID-19 PMA and net repayments/ redemptions
- Impairment coverage was stable at 3.6% at June 22 vs Dec 21, but remains higher than Dec 2019 (2.4%)
- While impairment coverage has remained stable on a total portfolio basis since Dec 2021, there has been some sub-portfolio movement, including
  - Manufacturing impairment coverage 2.9% (Dec 2021: 2.0%)
  - Accommodation and food services impairment coverage 4.5% (Dec 2021: 5.8%)
  - Wholesale and retail trade impairment coverage 2.7% (Dec 2021: 3.3%)

Property and Construction

- 11% of Group loan book; €7.6bn investment property; €1.1bn development lending
- €0.6bn reduction in stage 2 loans since Dec 21 due to net repayments/ redemptions and a reduction in the COVID-19 PMA, partly offset by increases due to FLI/ model updates
- Investment property exposures Retail 29%, Office 35%, Residential 18% and Other 18%
- Impairment coverage decreased from 6.1% at Dec 2021 to 5.1% at June 2022 but remains higher than Dec 2019 (2.8%)

Forward looking information – macro-economic scenarios

30 June 2022	Ireland			United Kingdom		
	2022	2023	2024-2026	2022	2023	2024-2026
Central scenario - 45% probability weighting						
GDP growth[1]	5.6%	4.6%	3.6%	3.7%	1.2%	1.6%
GNP growth[1]	5.6%	4.1%	3.2%	n/a	n/a	n/a
Unemployment rate[2]	5.8%	5.2%	5.0%	4.0%	4.3%	4.3%
Residential property price growth[3]	5.0%	2.0%	1.3%	6.0%	(1.0%)	1.0%
Commercial property price growth[3]	0.5%	1.5%	2.0%	0.5%	1.0%	2.2%
Upside scenario - 10% probability weighting						
GDP growth[1]	6.2%	5.2%	3.9%	4.3%	1.7%	1.8%
GNP growth[1]	6.2%	4.6%	3.5%	n/a	n/a	n/a
Unemployment rate[2]	5.6%	4.8%	4.5%	3.8%	3.7%	3.6%
Residential property price growth[3]	7.0%	3.0%	2.0%	7.0%	2.0%	1.7%
Commercial property price growth[3]	2.0%	2.5%	3.0%	2.5%	3.0%	3.0%
Downside scenario 1 - 35% probability weighting						
GDP growth[1]	4.4%	3.2%	3.4%	2.5%	(0.4%)	1.4%
GNP growth[1]	3.8%	2.6%	3.0%	n/a	n/a	n/a
Unemployment rate[2]	6.6%	6.6%	6.3%	4.7%	5.7%	6.0%
Residential property price growth[3]	3.0%	(6.0%)	(1.3%)	2.0%	(6.0%)	(2.0%)
Commercial property price growth[3]	(3.0%)	(2.5%)	0.3%	(3.0%)	(2.5%)	0.5%
Downside scenario 2 - 10% probability weighting						
GDP growth[1]	2.9%	0.7%	2.9%	1.2%	(2.7%)	1.1%
GNP growth[1]	2.3%	(0.1%)	2.6%	n/a	n/a	n/a
Unemployment rate[2]	7.4%	8.4%	8.5%	5.3%	7.4%	8.3%
Residential property price growth[3]	0.0%	(10.0%)	(3.7%)	(1.0%)	(10.0%)	(3.7%)
Commercial property price growth[3]	(8.0%)	(6.5%)	(1.8%)	(8.0%)	(7.0%)	(1.7%)

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 2022 Impact of applying only a central, upside or downside scenario rather than multiple probability weighted scenarios[1]	Multiple scenarios	Change in impairment loss allowance							
		Central scenario		Upside scenario		Downside scenario 1		Downside scenario 2	
	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	**1,524**	**(80)**	**(4%)**	**(120)**	**(8%)**	**81**	**5%**	**385**	**25%**

The following table indicates the approximate extent to which impairment loss allowances for the residential mortgage portfolios, excluding post model Group management adjustments, would be higher or lower than the application of a central scenario if there was an immediate change in residential property prices. 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 2022 Impact of an immediate change in residential property prices compared to a central scenario impairment loss allowance	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%	
	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	**259**	**47**	**18%**	**22**	**8%**	**(19)**	**(7%)**	**(35)**	**(14%)**

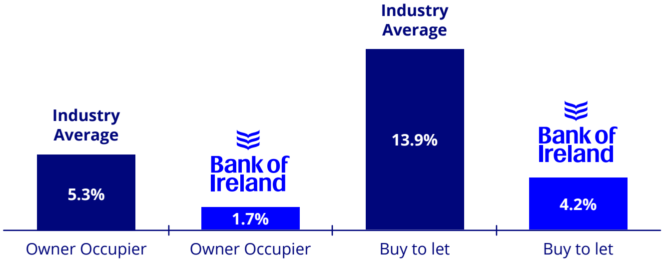
[1] The scenarios outlined in the table are based on the FLI weightings outlined on page 42

Bank of Ireland

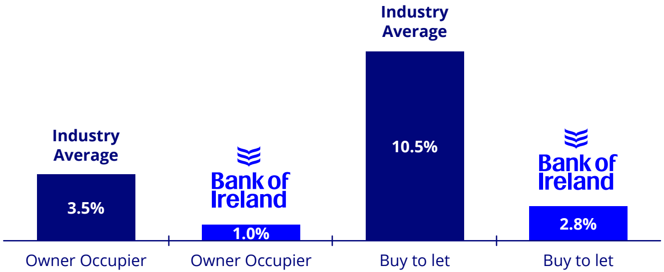
Ireland mortgages

Continued proactive arrears management

>90 days arrears[1]



>720 days arrears[1]



>90 days arrears

- Bank of Ireland is significantly below the industry average for both Owner Occupier (32% of industry average) and Buy to Let (30% of industry average)

>720 days arrears

- Bank of Ireland is significantly below the industry average for both Owner Occupier (29% of industry average) and Buy to Let (27% of industry average)

[1] As at December 2021, based on number of accounts, industry average excluding BOI

Capital and liquidity

	Dec-21	Jun-22
Customer loans	76	75
Liquid assets	50	52
Other assets	29	29
Total assets	**155**	**156**
Customer deposits	93	93
Wholesale funding	21	21
Shareholders' equity	10	11
Other liabilities	31	31
Total liabilities	**155**	**156**
TNAV per share	€8.80	€9.22
Closing EUR / GBP FX rates	0.84	0.86

	Dec-21	Jun-22
Liquidity Coverage Ratio	181%	218%
Net Stable Funding Ratio	144%	149%
Loan to Deposit Ratio	82%	81%

Liquidity
- Funding and liquidity remains strong from stable customer deposits and MREL issuance

Customer deposits: €92.6bn
- Overall Group customer deposit volumes of €94.1bn (excluding fair value hedge adjustment) at 30 Jun 2022 are €1.3bn higher than 31 Dec 2021, due to growth in Retail Ireland of €3.6bn, predominantly driven by higher household and SME volumes and an increase in Corporate and Markets volumes of €0.3bn, partially offset by lower Retail UK deposits of €2.6bn arising from planned deleveraging

Wholesale funding: €21.3bn
- €0.1bn lower than Dec 2021 primarily due to an ACS bond maturity of €1.0bn and a negative FX impact of €0.1bn, partially offset by senior MREL bond issuance of €1.0bn
- MREL ratio of 32.4% at Jun 2022

Leverage Ratio
- Fully Loaded Leverage Ratio: 6.1%
- Regulatory Leverage Ratio: 6.3%

Tangible Net Asset Value
- TNAV increased c.4% to €9.22 since Dec 21

Ordinary shareholders' equity and TNAV

Movement in ordinary shareholders' equity	Dec-21 (€m)	Jun-22 (€m)
Ordinary shareholders' equity at beginning of period	**8,587**	**10,304**
Movements:		
Profit / (Loss) for the period	1,055	279
Share buy back - repurchase of shares	–	(50)
Dividend paid to ordinary shareholders	–	(54)
Dividends on preference equity interests	–	–
Distribution on other equity instruments – additional tier 1 coupon (net of tax)	(68)	(33)
Re-measurement of the net defined benefit pension liability	597	675
Debt instruments at FVOCI reserve movements	(34)	(128)
Available for sale (AFS) reserve movements	-	-
Cash flow hedge reserve movements	(10)	11
Liability credit reserve movements	(5)	13
Foreign exchange movements	184	6
Other movements	(7)	(4)
Shareholder equity issued during the period (AT1)	0	0
Reserve for stock to be redeemed	5	3
Ordinary shareholders' equity at end of period	**10,304**	**11,022**

Tangible net asset value	Dec-21 (€m)	Jun-22 (€m)
Ordinary shareholders' equity at the end of period	**10,304**	**11,022**
Adjustments:		
Intangible assets and goodwill	(852)	(1,192)
Own shares held for benefit of life assurance policyholders	20	17
Tangible net asset value (TNAV)	**9,472**	**9,847**
Number of ordinary shares in issue at the end of the period excluding treasury shares	1,076	1,068
TNAV per share (€)	**€8.80**	**€9.22**

Capital – Strong fully loaded and regulatory CET1 ratios

Capital ratios – 30 June 2022

	Regulatory ratio (€bn)	Fully loaded ratio (€bn)
Total equity	12.0	12.0
Less Additional Tier 1	(1.0)	(1.0)
Deferred tax[1]	(0.8)	(1.1)
Intangible assets and goodwill	(0.9)	(0.9)
Foreseeable dividend	(0.1)	(0.1)
Expected loss deduction	(0.0)	(0.0)
Pension Fund Asset	(1.2)	(1.2)
IFRS 9 Regulatory Add-back	0.0	0.0
Other items[2]	(0.4)	(0.4)
Common Equity Tier 1 Capital	**7.6**	**7.3**
Credit RWA	36.0	36.0
Operational RWA	4.6	4.6
Market, Counterparty Credit Risk and Securitisations	2.6	2.6
Other Assets / 10% / 15% threshold deduction	4.2	4.1
Total RWA	**47.4**	**47.3**
Common Equity Tier 1 ratio	**16.0%**	**15.5%**
Total Capital ratio	**21.2%**	**20.7%**
Leverage ratio	**6.3%**	**6.1%**

Phasing impacts on Regulatory ratio

- Deferred tax assets - certain DTAs[1] are deducted at a rate of 80% for 2022, increasing annually at a rate of 10% thereafter until 2024
- IFRS 9 - the Group has elected to apply the transitional arrangement. The transitional arrangement allows a 75% add-back in 2022 decreasing to 50% and 25% in subsequent years. The IFRS 9 add-back to the regulatory ratios is €22m at Jun 22 (Dec 21: €151m)

[1] Deferred tax assets due to temporary differences are included in other RWA with a 250% risk weighting applied
[2] Other items includes other capital deductions, principal ones being prudential valuation adjustment, 10%/15% deduction and calendar provisioning deduction

Regulatory capital requirements

Pro forma CET1 regulatory capital requirements	2021	2022	2023
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)[1]	0.00%	**0.00%**	0.30%
UK Countercyclical buffer (CCyB)	0.00%	**0.30%**	0.60%
O-SII Buffer	1.50%	**1.50%**	1.50%
Systemic Risk Buffer – Ireland	–	**–**	–
Pro forma minimum CET1 regulatory requirements	**9.77%**	**10.07%**	**10.67%**
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 9.77% on a regulatory basis at 30 June 2022, increasing to 10.07% from Dec 2022 and 10.67% in Dec 2023 (excluding P2G)
- 2022 requirements include the phase-in of the UK CCyB from 0% to 1% from Dec 2022
- 2023 requirements include the phase-in of (i) the ROI CCyB to 0.5% from Jun 2023; and (ii) the UK CCyB to 2% from Jul 2023
- CET1 headroom of c.590bps to Dec 2022 regulatory capital requirements of 10.07%
- Regulatory total capital ratio of 21.2% at June 2022 provides headroom of c.665bps above 2022 total capital requirement of 14.55%

[1] The CBI stated its intention to increase the ROI CCyB to 1.5% in mid-2023 (effective mid-2024) provided the economic recovery continues, which if introduced would increase the Group's capital requirement by a further c.0.6% in 2024

Risk weighted assets (RWAs) / Leverage ratio

Customer lending average credit risk weights – June 2022[1,2]

(Based on regulatory exposure class)

	EAD[3] (€bn)	RWA (€bn)	Avg. Risk Weight
Ireland Mortgages	22.1	4.9	22%
UK Mortgages	18.9	3.7	19%
SME	16.6	11.5	69%
Corporate	12.0	10.8	92%
Other Retail	6.1	4.4	72%
Customer lending credit risk	**75.7**	**35.3**	**45%**

- IRB approach accounts for:
  - 54% of credit EAD (Dec 2021: 55%)
  - 70% of credit RWA (Dec 2021: 70%)
- Regulatory RWA has increased from €46.4bn at Dec 2021 to €47.5bn at June 2022. The increase primarily reflects book mix change and new lending

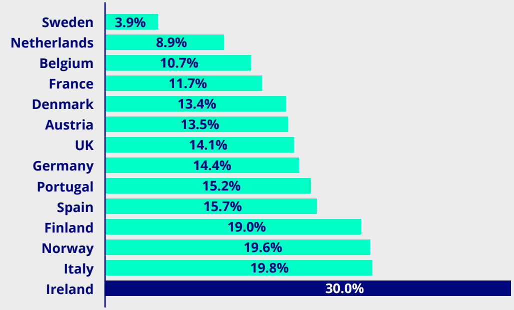
Leverage Ratio

- Fully Loaded leverage ratio: 6.1%
- Regulatory leverage ratio: 6.3%

EBA Transparency Exercise 2021

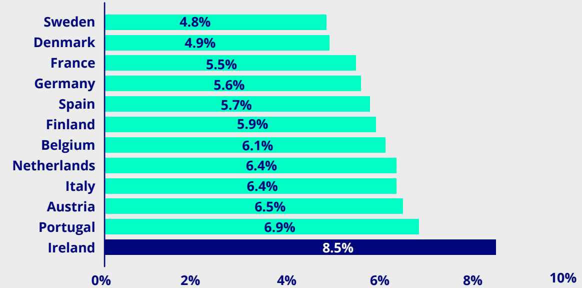
Country by Country Average IRB risk weights

Residential Mortgages – Jun 2021



EBA Risk Dashboard - Jun 2021

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

Return on tangible equity (RoTE)

H1 2022: Headline vs Adjusted

	H1 2022 Headline (€m)	Adjustments: Additional gains & valuation items, net of tax	Adjustments: Adjusted for CET1 ratio at 13.5%	Adjustments: Pension Surplus	H1 2022 Adjusted (€m)
Profit for the period	**279**				
Non-core items including tax	51				
Coupon on Additional Tier 1 securities	(33)				
Preference share dividends	(4)				
Adjusted profit after tax	**293**	**3**	**-**	**-**	**296**
Annualised profit after tax[1]	**617**	**6**	**-**	**-**	**623**
At June 2022					
Shareholders' equity	11,022		(839)	(1,382)	**8,801**
Intangible assets	(1,192)				**(1,192)**
Shareholders' tangible equity	9,830		(839)	(1,382)	**7,609**
Average shareholders' tangible equity	**9,855**	**–**	**(1,088)**	**(1,121)**	**7,646**
Return on tangible equity (RoTE)	**6.3%**				**8.1%**

- **H1 2022 Adjusted return on tangible equity is adjusted for:**
  - Additional gains and valuation items, net of tax (€3m)
  - Average shareholders' tangible equity calculated on a CET1 Ratio at 13.5% - €1,088m
  - Removal of average pension surplus €1,121m
- Tangible Net Asset Value (TNAV) as at end June 2022 was €9.22, or €7.93 excluding the pension surplus

[1] Annualised profit after tax assumes a FY 2022 effective tax rate of c.18%

Cost income ratio: June 2022

Headline vs Adjusted

	H1 2022 Headline (€m)	Pro forma adjustments (€m)	H1 2022 Pro forma (€m)
Net interest income	**1,072**	**–**	**1,072**
Other income			
– Business income	320	–	320
– Additional gains	83	–	83
– Other valuation items	(86)	–	(86)
Total Income	**1,389**	**3**	**1,392**
Costs			
– Operating expenses	(849)	–	(849)
Costs	**(849)**	**–**	**(849)**
Cost income ratio	**61%**		**61%**

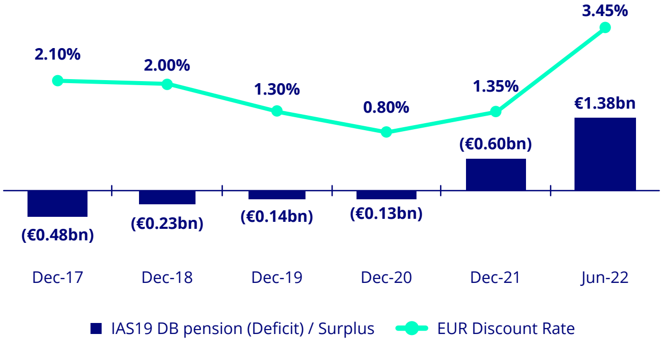
- **Cost income ratio excludes:**
  - Levies and regulatory charges
  - Non-core items

- **H1 2022 adjusted cost income ratio is adjusted for:**
  - Additional gains and valuation items of (€3m)

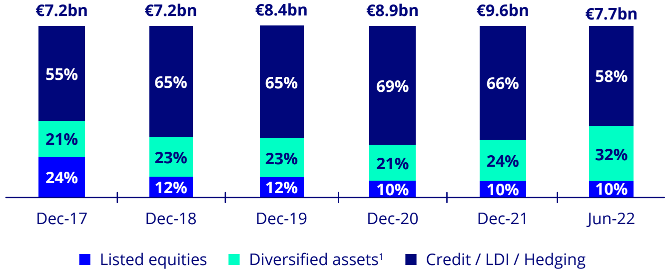
Bank of Ireland

Defined benefit pension schemes

Group IAS19 Defined Benefit Pension (deficit)/surplus

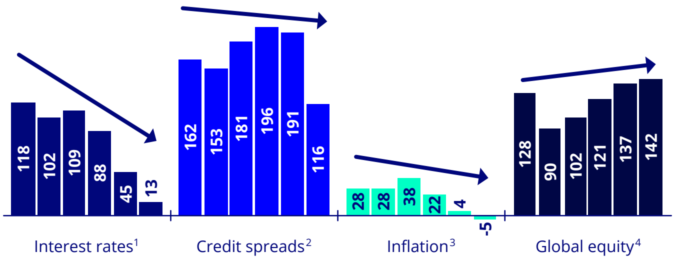


Total Group defined benefit pension scheme assets (%)



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

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



[1] Sensitivity of Group funding position 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 position to a 0.10% increase in long term inflation
[4] Sensitivity of Group funding position to a 5% decrease in global equity markets with allowance for other correlated diversified asset classes

- IAS19 net pension surplus of €1.377bn at June 2022 (€0.6bn net surplus Dec 2021). Schemes in surplus €1.382bn, schemes in deficit €0.005bn
- Both euro and sterling discount rates increased significantly over the half year (210 bps and 195 bps respectively) due to increases in long term risk free interest rates and corporate bond credit spreads
- The discount rate increases resulted in a reduction in Group DB pension scheme liabilities, somewhat offset by a corresponding reduction in the interest rate hedging assets
- Long term euro inflation assumptions increased in the period (by 25bps) while long term sterling inflation assumptions reduced marginally, with the resulting increase in liabilities partially offset by the increase in inflation hedging assets
- The decrease in asset valuations over the period has changed the percentage mix in the overall asset portfolio, which is being rebalanced to strategic asset allocations

Bank of Ireland

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, 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, 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 the COVID-19 pandemic and / or the 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 2021. Investors should also read 'Principal Risks and Uncertainties' in the Group's Interim Report for the six months ended 30 June 2022 beginning on page 29.

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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