

Bank of Ireland Group plc (the “Group”)

NPE portfolio disposals

8 November 2022

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The Group has reached agreement to dispose of Irish and UK NPE portfolios, through two separate transactions. On completion, the transactions will result in a pro-forma reduction in the Group’s 30 June 2022 NPE ratio from 5.4% to c.3.7% and a modest positive impact (c.5bps) on the Group’s CET1 ratio. The gross interest income on the portfolios was c.€30 million on an annualised basis.

#### **UK Mortgage NPEs**

The Group has reached agreement to dispose of (by way of securitisation) a portfolio of non-performing UK mortgages (with a gross carrying value of c.€0.6 billion), secured on owner occupied and buy-to-let investment properties. The transaction is expected to complete on 15 November 2022, subject to customary closing conditions.

The mortgages and related customer relationships that form part of the securitisation will continue to be serviced by the Group, however the assets will be derecognised from the Group’s balance sheet.

#### **Irish Mortgage and non-Mortgage NPEs**

The Group has also reached agreement to dispose of an Irish non-performing loan portfolio with a gross carrying value of c.€0.8 billion (comprising primarily of Private Dwelling House (PDH) and Buy to let (BTL) NPEs, together with a smaller portfolio of non-mortgage NPEs) in a transaction financed by funds managed by AB CarVal. The transaction is expected to complete later in 2022, subject to customary closing conditions.

The Group will be appointed as interim servicer for a period prior to legal title transfer and credit servicing migration. Post migration, Mars Capital Finance Ireland DAC (“Mars”) will manage the loans as Legal Title Holder. Mars is regulated by the Central Bank of Ireland. Customers will continue to have the same legal and regulatory protections (for example under the Consumer Protection Code (CPC) and the Code of Conduct on Mortgage Arrears (CCMA)) after the sale.

#### **Additional information for customers**

Customers do not need to take any action arising from this announcement. There is no change to the protections currently afforded to customers and all statutory codes of conduct relevant to these customer loans will continue to apply. Prior to the transfer of credit servicing, Bank of Ireland will contact the customers whose loan(s) is/are included in the sale, to inform them that their loan(s) is/are being transferred.

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For further information please contact:

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## Forward Looking Statement

This announcement contains forward-looking statements with respect to certain of the Bank of Ireland Group plc (the 'Company' or 'BOIG plc') and its subsidiaries' (collectively the 'Group' or 'BOIG plc Group') plans and its current goals and expectations relating to its future financial condition and performance, the markets in which it operates and its future capital requirements. These forward-looking statements often can be identified by the fact that they do not relate only to historical or current facts. Generally, but not always, words such as 'may,' 'could,' 'should,' 'will,' 'expect,' 'intend,' 'estimate,' 'anticipate,' 'assume,' 'believe,' 'plan,' 'seek,' 'continue,' 'target,' 'goal,' 'would,' or their negative variations or similar expressions identify forward-looking statements, but their absence does not mean that a statement is not forward-looking.

Examples of forward-looking statements include, among others: statements regarding the Group's near term and longer term future capital requirements and ratios, level of ownership by the Irish Government, LDRs, expected impairment charges, the level of the Group's assets, the Group's financial position, future income, business strategy, projected costs, margins, future payment of dividends, the implementation of changes in respect of certain of the Group's pension schemes, estimates of capital expenditures, discussions with Irish, UK, European and other regulators, plans and objectives for future operations, and the impact of the COVID-19 pandemic particularly on certain of the above issues and generally on the global and domestic economies. Such forward-looking statements are inherently subject to risks and uncertainties, and hence actual results may differ materially from those expressed or implied by such forward-looking statements.

Such risks and uncertainties include, but are not limited to, those as set out in the Risk Management Report in the Group's Annual Report for the year ended 31 December 2021. Investors should also read 'Principal Risks and Uncertainties' in the Group's Annual Report for the year ended 31 December 2021 beginning on p 138.

Nothing in this announcement should be considered to be a forecast of future profitability, dividend forecast or financial position of the Group and none of the information in this announcement is or is intended to be a profit forecast, dividend forecast, or profit estimate. Any forward-looking statement speaks only as at the date it is made. The Group does not undertake to release publicly any revision to these forward-looking statements to reflect events, circumstances or unanticipated events occurring after the date hereof.