

## **Bank of Ireland Group plc (the "Group") Interim Results for the 6 months to 30 June 2025**

**29 July 2025**

Bank of Ireland has today published its H125 results, reporting PBT of €721m and ROTE of 14.8%. This reflects strong strategic execution, with AUM growing 3%<sup>1</sup> and Irish loans and deposits growing 5%<sup>1</sup>, supporting an upgraded outlook for net interest income in FY25 and beyond.

The Group announces an interim dividend per share of 25 cents (40% payout) and reaffirms its guidance for a progressive dividend per share for the full year.

The Group reaffirms its FY25 guidance for ROTE of c.15% and organic capital generation of 250-270bps.

The Group also reaffirms its positive medium term outlook, with ROTE building to >17% by FY27.

**Comment:** Myles O'Grady, Bank of Ireland Group CEO:

"The Group had a good H1 performance, with a profit before tax of €0.7 billion and is on track to deliver its full year targets. We are mid-way through the final year of our strategy and delivering with momentum. This is underpinned by our strategic execution, differentiated business model and the attractive markets we operate in. Product and digital innovations are strengthening our customer outcomes. Against an uncertain international backdrop, the Irish economy is resilient. Bank of Ireland is well positioned to navigate this environment, generating strong levels of capital to support customers, grow our balance sheet, invest in the business and deliver attractive shareholder returns."

### **Key highlights:**

- Adjusted RoTE of 14.8%; statutory RoTE of 11.3%; reaffirm FY25 guidance for adjusted ROTE of c.15%
- Strong capital position with pro forma fully loaded CET1 ratio 16.0%
- Organic capital generation of 110bps in H1 and 250-270bps guidance reaffirmed for FY25
- Interim ordinary dividend of 25 cent per share or €243m (40% payout, in line with H124)
- Strong Irish balance sheet growth with loans and deposits +5%<sup>1</sup>; excellent Irish mortgage performance
- Net interest income €1.67bn in H1; upgraded FY25 NII guidance to c.€3.3bn
- Business income<sup>2</sup> +4% yoy driven by strong Wealth and Insurance performance +8%, with net inflows at 4% annualised of opening AUM
- Operating expenses +3% yoy, in line with guidance; cost to income ratio of 48%
- Asset quality remains strong with NPE ratio of 2.6%, close to multi year lows
- Impairment charge of €137m (33bps1) reflects net portfolio activity of €97m and additional management adjustments of €40m; FY25 guidance now c.30bps, reflecting H1 performance
- 24% yoy increase in Sustainable Finance lending to €15.5bn, meeting end-2025 target of €15bn early

### **Irish macro backdrop**

The Irish economy is resilient and growing against a more uncertain external backdrop, particularly in relation to international trade arrangements. The Group's Economic Research Unit forecasts headline GDP growth of 8.1% in 2025 and 3.2% in 2026 and these forecasts incorporate consideration of the current evolving policy framework.

In addition, it is worth highlighting that a combination of above-average economic growth and prudent management of the public finances over many years have positioned Ireland with one of the lowest debt-to-GDP ratios in the European Union. Irish consumers and businesses are also in good balance sheet shape. Supported by robust savings activity over many years, household net worth is at an all-time high.

### **Key stakeholder outcomes in H1**

The Group continues to strengthen its relationships with customers, colleagues and society which supports the generation of attractive returns and capital distributions for shareholders.

For Customers, our strategy is delivering better outcomes with product innovation, technology, and digital deployments

making it easier to bank with Bank of Ireland. This is evidenced in an improved Personal Relationship Net Promoter Score, a key measure of customer satisfaction, which increased by 9 points yoy to +30, a new high. In addition, the Group's Customer Effort Score improved to a record high of +61, +4 points yoy while at the same time, complaints fell by 22% yoy.

For Colleagues, our focus on Bank of Ireland as a leading place to work - which is integral to the attraction and retention of talent - has seen the Group ranked seventh in Ireland's Top 200 Employers (2025), up from 133 in 2021.

For Society, housing is one of the most pressing issues facing Ireland today. In Q2, the Group raised its ambition to support the delivery of up to 30,000 homes, up from c.25,000. The Group also achieved its end-2025 €15bn sustainable finance target at end Q1, and remains well placed to deliver on our ambition of growing this lending to €30bn by the end of 2030.

For Shareholders, the Group recommenced interim ordinary dividends in 2024, with an interim dividend of €243m announced today for H125. Since the start of 2023 the Group has returned €2.6bn to shareholders through a series of buybacks and dividends, equating to c.22% of the 30 June 2025 market capitalisation, reducing the Group's share count by 11%.

## **H1 Financial performance**

### *Income*

Net interest income in H1 2025 was €1.67bn (H124 €1.80bn), ahead of our expectations, with positive momentum across lending and deposits and the benefits of the Group's structural hedge programme offset by lower rates. For FY25, we now expect NII of c.€3.3bn, an upgrade on prior guidance of >€3.25bn. The Group has increased its bond portfolio in H1 to c. €15bn (Dec 24: c.€9bn), further supporting its positive NII outlook into FY26 and FY27.

Total business income<sup>2</sup> of €399m was 4% higher yoy. Across our Wealth & Insurance business, fee income increased by 8% and AUM increased to a record high of €55.6bn, with net inflows of €1.2bn equivalent to 4% of opening AUM<sup>1</sup>, a strong outturn against the wider market volatility. For FY25, the Group maintains its guidance for total business income<sup>2</sup> to grow by c.5%.

### *Operating expenses*

The Group continues to maintain tight control over its cost base. Operating expenses have progressed in-line with expectations (+3% yoy), primarily reflecting higher staff costs. The underlying cost to income ratio was 48% in the period. The Group maintains its FY25 guidance for operating expenses to rise by c.3%.

Non-core costs were €83m in H1. The Group is now anticipating a broadly similar outturn in H2, reflecting some acceleration of restructuring activity directly linked to achieving its cost outlook of c.€2bn in FY26 and FY27. There has been no change to the Group's UK motor finance provision of £143m. The Group anticipates further clarity on this matter in H2.

### *Balance Sheet*

The Group's loan book was €82.2bn in June (Dec 24: €82.5bn) with strong growth in Ireland of €1.3bn, driven by Irish mortgages, where the Group had a 40% share of the new lending market. This was offset by FX impacts and planned deleveraging of €0.8bn, primarily GB Corporate. The Irish loan portfolios rose by 5% annualised in H1. The Group retains its guidance of c.2% loan book growth for FY25, notwithstanding the FX impacts.

Our liquidity profile remains strong, supported by our retail franchise in Ireland. Customer deposits were €105.0bn, €1.9bn higher than in December, driven by higher Irish Everyday Banking balances. The flow to term in the period was €1.1bn (H224: €1.9bn), in line with our expectations.

The Group's liquid assets were €45bn at June 2025 (Dec 24: €44bn), supported by higher customer deposits, partially offset by higher lending volumes and lower wholesale funding volumes. The Group completed a €0.6bn AT1 securities issuance in March, at a reset spread of 363bps, the lowest ever credit spread for an Irish bank AT1. The Group also raised €750m in a green bond senior issuance in May.

At June 2025, the Group's liquidity coverage ratio was 194% (Dec 24: 198%), the loan to deposit ratio was 78% (Dec 24: 80%), and the net stable funding ratio was 154% (Dec 24: 155%).

### *Asset Quality*

The Group's asset quality remains robust. The NPE ratio was 2.6% at end June, up 40bps since December 2024, but down 30bps yoy and close to multi-year lows. The Group continues to deploy organic and inorganic solutions to support NPE

reduction.

The Group reported a net credit impairment charge of €137m (33bps annualised) in H1. This comprises a net portfolio activity charge of €97m (23bps annualised), reflecting loan loss experience partly offset by credit protection, and a €40m charge (10bps annualised) from additional management adjustments incorporating the evolving macroeconomic outlook. Reflecting H125 performance, we have updated our FY25 impairment guidance to be c.30bps, subject to no material change in economic conditions or outlook.

#### Capital

Our pro forma fully loaded CET1 capital ratio was 16.0%<sup>3</sup> at June 2025 (Dec 24, 14.6%). The Group's capital performance benefitted from strong net organic capital generation of 110bps and 115bps benefit from Basel IV implementation, partly offset by investment in RWA and a deduction for the interim ordinary dividend. The interim dividend of 25 cents per share will be paid on 30 October 2025 to shareholders on the register on 3 October 2025, the record date for the dividend.

RWAs at June 2025 of €52.2bn were lower than the €55.3bn at December 2024 reflecting investment in lending and CRT amortisation, which were more than offset by the Basel IV benefit (c.€3.6bn).

#### 2025 guidance summary

- Adjusted ROTE of c.15%
- Organic capital generation of 250-270bps
- Net interest income of c.€3.3 billion
- Business income<sup>2</sup> c.5% higher yoy
- Operating expenses c.3% higher yoy
- Levies and regulatory charges of c.€130m
- Impairment charge c.30bps, subject to no material change in economic conditions or outlook
- Non-core costs in H2 to be broadly similar to H1
- Distributions for 2025 to comprise a combination of a progressive ordinary dividend per share for the full year and share buybacks

#### Reiteration of medium-term outlook

The Group had previously provided a medium-term outlook to 2027. It reiterates its expectation for adjusted RoTE to build to >17% by 2027, supporting capital generation of 250-270 basis points each year. This outlook translates into net capital generation over 2025-2027 equivalent to c.35%<sup>4</sup> of the 30 June 2025 market capitalisation, supporting a progressive DPS, with additional surplus capital considered annually.

<sup>1</sup> Annualised

<sup>2</sup> Including share of JVs and associates

<sup>3</sup> The Group's reported fully loaded CET1 ratio was 15.3%, reflecting the mechanical exclusion of H1 profits in accordance with EBA Q&A guidance.

<sup>4</sup> Capital generated over 2025-27, including benefit from Basel IV implementation, less capital retained to support RWA growth; divided by market capitalisation of the Group at 30 June 2025.

Ends

The interim report is available at <https://investorrelations.bankofireland.com/results-centre/>

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#### Forward Looking Statement

*This announcement contains forward-looking statements with respect to certain of 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.*

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*Examples of forward-looking statements include, among others: statements regarding the Group's near term and longer term future capital requirements and ratios, loan to deposit ratios, 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, United Kingdom, European and other regulators, plans and objectives for future operations, and the continued impact of regional conflicts on 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 2024 and in the 'Principal Risks and Uncertainties' section of its 2025 Interim Report.*

*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 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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