

Bank of Ireland Group plc (together with its subsidiaries the “Group”)

Completion of the acquisition of Davy

1 June 2022

The Group announces it has completed the acquisition of J&E Davy (“Davy”), Ireland’s leading provider of wealth management and capital markets services.

This acquisition significantly enhances the Group’s commercial and strategic objectives. Davy had AUM of c.€20 billion as at December 2021, which when combined with the Group’s existing Wealth & Insurance AUM of c.€22.5 billion, provides significant scale and breadth of proposition. In addition, the acquisition of Davy enhances the combined services available to the Group’s corporate clients, across both companies, and provides further opportunities for growth. Along with the KBC Bank Ireland portfolios transaction, which recently received Competition and Consumer Protection Commission approval, completion of this acquisition demonstrates further strategic progress by the Group.

Davy has been acquired for a final consideration of c.€427 million after adjusting for the capital position of Davy as of 1 June 2022. 25% (€107 million) of the enterprise value will be paid two years after completion, subject to Davy shareholders meeting a number of agreed criteria. In addition, as announced on 22 July 2021, Bank of Ireland will also pay for excess cash which amounts to c.€126 million, following the sale earlier this year of Davy Global Fund Management and Davy’s shareholding in Rize ETF. A further payment of up to €40 million will be payable from 2025, contingent on future business model performance.

The CET1 capital ratio impact of the acquisition is c.80 basis points, financed through existing resources. Acquiring Davy will materially increase the Group’s wealth and fee income and the acquisition is expected to be accretive to earnings in the first full year of ownership, excluding transaction related payments.

Francesca McDonagh, Group Chief Executive of Bank of Ireland, commented: “We are delighted to complete this important strategic acquisition and officially welcome the Davy team and clients to the Bank of Ireland Group. As the unrivalled Irish leader in wealth management and capital markets, we are ambitious for the future of Davy within the Group. The completion of the deal today represents a fantastic addition to our franchise and business model. Clients from both organisations will benefit over time from enhanced product and service offerings from our businesses, two organisations with long histories of supporting clients across the personal, business and corporate landscape in Ireland.”

Bernard Byrne, Chief Executive of Davy, added: “We really welcome the completion of the transaction and look forward to providing the world-class services that our clients expect while continuing to grow the Davy business from within the Bank of Ireland Group. This is an exciting milestone for both organisations and an opportunity for us to materially enhance the support we can give our clients with their growth plans and ambitions. We are confident for the future as we work with the Bank on the next phase of our journey.”

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Forward Looking Statement

This announcement contains forward-looking statements with respect to certain of Bank of Ireland Group plc (‘BOIG plc’) and its subsidiaries’ (collectively the ‘Group’s’) 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, loan to deposit ratios, expected impairment charges, the level of the Group’s assets, the Group’s financial position, future income, business strategy, business model, projected costs, margins, future payment of dividends, estimates of capital expenditures, discussions with Irish, United Kingdom, European and other regulators, and plans and objectives for future operations. 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.

Nothing in this announcement should be considered to be a forecast of future profitability, dividends 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.