

# Bank of Ireland Group

The Governor and Company of the Bank of Ireland  
(Established in Ireland by Charter in 1783, and having limited liability  
Registered in Ireland No. C-1)

€25,000,000,000  
Euro Note Programme

This supplement (the **Supplement**) is supplemental to and should be read in conjunction with the base prospectus dated 18 June 2015 (the **Base Prospectus**) issued for the purposes of giving information with regard to the issue of notes (the **Notes**) by The Governor and Company of the Bank of Ireland (the **Issuer**) under the €25,000,000,000 Euro Note Programme (the **Programme**) during the period of twelve months after the date of the Base Prospectus. Words and expressions defined in the Base Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

This Supplement constitutes a base prospectus supplement for the purposes of Directive 2003/71/EC (the **Prospectus Directive**) as amended (which includes the amendments made by Directive 2010/73/EU (the **2010 PD Amending Directive**)) and is issued in accordance with Article 16 thereof and relevant Irish laws. This Supplement has been approved by the Central Bank of Ireland (the **Central Bank**), as competent authority under the Prospectus Directive. The Central Bank only approves this Supplement as meeting the requirements imposed under Irish and EU laws pursuant to the Prospectus Directive. Such approval relates only to the Notes which are to be admitted to trading on the regulated market of the Irish Stock Exchange Plc (the **Irish Stock Exchange**) or other regulated markets for the purposes of Directive 2004/39/EC or which are to be offered to the public in any Member State of the European Economic Area.

This Supplement is also a supplementary listing particulars which is supplemental to and should be read in conjunction with the Base Listing Particulars dated 18 June 2015 (the **Listing Particulars**) relating to the Programme.

Application has been made to the Irish Stock Exchange for this Supplement to be approved by the Irish Stock Exchange pursuant to the Programme which has also been approved on the Global Exchange Market.

The Issuer accepts responsibility for the information contained in this Supplement. The Issuer declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Supplement is, to the best of its knowledge and belief, in accordance with the facts and does not omit anything likely to affect its import.

The purpose of this Supplement is to incorporate by reference into the Base Prospectus and the Listing Particulars the interim report of the Issuer for the six months ended 30 June 2015.

## 1. ADDITIONAL DOCUMENTS INCORPORATED BY REFERENCE

The interim report of the Issuer for the six months ended 30 June 2015, including the unaudited consolidated interim financial statements for the six months ended 30 June 2015 and the related independent review report from PricewaterhouseCoopers dated 30 July 2015 was filed with the Central Bank on 31 July 2015 and is hereby incorporated by reference into the Base Prospectus and the Listing Particulars by way of this Supplement. The Issuer will provide, without charge, to each person to whom a copy of this Supplement has been delivered, upon the request of such person, a copy of the document deemed to be incorporated herein by reference unless the document has been modified or superseded. Such requests should be directed to the Issuer at 40 Mespil Road, Dublin 4, Ireland. In addition, the document deemed to be incorporated herein by reference is also available at:

<http://www.bankofireland.com/about-bank-of-ireland/investor-relations/financial-information/financial-information/>

The section entitled “Documents Deemed to be Incorporated by Reference” on page 35 of the Base Prospectus and the Listing Particulars should be read subject to the insertion of an additional limb, limb (d) as set out below:

(d) the interim report of the Issuer for the six months ended 30 June 2015, including the unaudited consolidated interim financial statements for the six months ended 30 June 2015 and the related independent review report from PricewaterhouseCoopers dated 30 July 2015.

## 2. SUMMARY OF THE PROGRAMME

The Summary of the Programme on pages 10-18 should be read subject to the following changes:

B. 12	Selected historical key financial information	<i>Six months ended 30 June 2015<sup>1</sup></i>	<i>Six months ended 30 June 2014</i>	<i>Year ended 31 December 2014</i>	<i>Year ended 31 December 2013 (restated)*</i>
		€m	€m	€m	€m
	<b><u>Income Statement:</u></b>				
	Total operating income.....	2,727	2,528	5,051	3,986
	Profit/(Loss) after tax for the period/year.....	624	344	786	(486)
	<b><u>Balance Sheet:</u></b>				
	Loans and advances to banks ...	5,249		4,851	4,759
	Loans and advances to customers	85,250		82,118	84,514
	.....				
	Other Assets .....	40,952		42,831	42,860
	<b>Total Assets .....</b>	<b>131,451</b>		<b>129,800</b>	<b>132,133</b>
	Deposits by banks.....	2,215		3,855	12,213
	Debt securities in issue .....	12,830		16,040	15,280
	Other Liabilities.....	106,130		101,158	96,757
	<b>Total Liabilities.....</b>	<b>121,175</b>		<b>121,053</b>	<b>124,250</b>
	<b>Total Equity .....</b>	<b>10,276</b>		<b>8,747</b>	<b>7,883</b>
	*The year ended 31 December 2013 has been restated to reflect the impact of IFRIC 21 ‘Levies’.				
	<b>Statement of no material adverse change</b>	There has been no material adverse change in the prospects of the Bank since 31 December 2014, the date of the latest published annual audited accounts of the Bank.			

<sup>1</sup> Figures for the Income Statement for the period ended 30 June 2015 together with comparative information for the same period in the previous financial year have been included in the Summary of the Programme via this Supplement dated 7 August 2015 and are extracted from the interim report of the Issuer for the six months ended 30 June 2015.

<sup>2</sup> The equivalent statement in the Base Prospectus and the Listing Particulars refers to the date of the audited consolidated annual financial statements of the Issuer for the financial year, being 31 December 2014. This statement is updated to reflect the release of the interim report of the Issuer for the six months ended 30 June 2015.

	<b>Description of significant changes to financial or trading position</b>	There has been no significant change to the financial or trading position of the Group taken as a whole since 30 June 2015, <sup>2</sup> the date of the latest accounts of the Bank.
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<b>B.13</b>	<b>Recent events materially relevant to an evaluation of the Issuer's solvency</b>	Not applicable – there are no recent events materially relevant to an evaluation of the Bank's solvency. <sup>3</sup>
<b>B.17</b>	<b>Credit ratings assigned to the Issuer<sup>4</sup></b>	<p>As at the date of this Supplement, the long-term/short term credit ratings for the Group are BBB- (Positive) / A-3 from Standard and Poor's Credit Market Services Europe Limited ("S&amp;P"); Baa2 (Stable) (Deposit Rating: Baa2 (Stable)) from Moody's Investors Services Limited ("Moody's"); BB+ (Positive) / B from Fitch Ratings Limited ("Fitch"); and BBB (High) (Under review - negative) / R-1 (low) (Under review – negative) from DBRS Ratings Limited ("DBRS").</p> <p><i>Each of Standard &amp; Poor's, Moody's, Fitch and DBRS is established in the EU and is registered under Regulation (EC) No 1060/2009 (as amended) (the "CRA Regulation"). In general, European regulated investors may use credit ratings for regulatory purposes only if they are issued by a credit rating agency established in the European Union and registered in accordance with the CRA Regulation (or is endorsed and published or distributed by subscription by such a credit rating agency in accordance with the CRA Regulation).</i></p> <p><i>Issue specific summary:</i></p> <p>[The Notes [have been]/[are expected to be] rated [ ] by [ ]. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.]</p> <p>[Not Applicable - No ratings have been assigned to the Issuer or its debt securities at the request of or with the co-operation of the Issuer in the rating process.]</p>
<b>D.2</b>	<b>Key risks specific to the Issuer<sup>5</sup></b>	<p><b>Factors which are material for the purpose of assessing risks associated with the Group</b></p> <p>In purchasing Notes, investors assume the risk that the Bank may become insolvent or otherwise be unable to make all payments due in respect of the Notes. There is a wide range of factors which individually or together could result in the Bank becoming unable to make all payments due in respect of the Notes. It is not possible to identify all such factors or to determine which factors are most likely to occur, as the Bank may not be aware of all relevant factors and certain factors which it currently deems not to be material may become material as a result of the occurrence of</p>

<sup>3</sup> Element B.13 is revised to include a reference to "Not applicable" prior to the description of the Element.

<sup>4</sup> Element B.17 is revised to reflect a change to the credit ratings assigned to the Issuer and to the disclosure on page 21 of the Risk Factors.

<sup>5</sup> The list of key risks in Element D.2 is updated to reflect the key risks extracted from the interim report of the Issuer for the six months ended 30 June 2015.

		<p>events outside the Bank's control. The Bank has identified in this Prospectus a number of factors which could materially adversely affect its business and ability to make payments due under the Notes. These factors include:</p> <ul style="list-style-type: none"> <li>• The Group is subject to a number of risks associated with the Irish banking system, EU regulatory obligations and the regulatory environment in the jurisdictions in which it carries out its principal activities, primarily in Ireland and the UK. Regulatory obligations and any breaches thereof could have a material adverse impact on the Group's results, financial condition and prospects;</li> <li>• Downgrades to the Irish sovereign or the Group's credit ratings or outlook could impair the Group's access to private sector funding, trigger additional collateral requirements and weaken its financial position;</li> <li>• Lack of liquidity to fund the Group's business activities;</li> <li>• Deterioration in the credit quality of the Group's borrowers and counterparties, as well as increased difficulties in relation to the recoverability of loans and other amounts due from such borrowers and counterparties, could result in significant increases in the Group's impaired loans and impairment provisions;</li> <li>• Change of law and regulation;</li> <li>• The Group is exposed to market risks such as changes in interest rates, interest rate spreads (or bases) and foreign exchange rates;</li> <li>• Reputation risk is inherent in the Group's business;</li> <li>• Pension risk is the risk in the Group defined benefit pension schemes that the assets are inadequate or fail to generate returns that are sufficient to meet the schemes' liabilities;</li> <li>• Capital adequacy and its effective management, which is critical to the Group's ability to operate its businesses and to pursue its strategy;</li> <li>• Life insurance risk;</li> <li>• Failure in the Group's processes, operational systems, technology or infrastructure, or those of third parties; and</li> <li>• Business and strategic risk.</li> </ul>
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### 3. RISK FACTORS

(i) The below additional risk factors are added to the section entitled "Factors which are material for the purpose of assessing risks associated with the Bank" on pages 19-34 of the Base Prospectus and the Listing Particulars.

#### Life insurance risk

The Group is exposed to volatility in the amount and timing of claims caused by unexpected changes in mortality, morbidity, longevity and persistency that could have an impact on the Group's results, financial condition and prospects.

## Business and strategic risk

Business risk is the risk that the Group's current business model is not considered viable and is not expected to generate acceptable returns over a short to medium timeframe. Strategic risk is the risk that the Group's strategy is not considered sustainable in its ability to generate acceptable returns, over an appropriate longer term timeframe.

## UK European Union referendum

Uncertainty relating to the forthcoming UK 'In / Out' referendum could impact the environment in which the Group operates and consequently the Group's performance.

## Impact of accounting standards

IFRS 9 is a new accounting standard to be implemented in 2018. It introduces a forward-looking 'expected credit loss' model, which may lead to changes in the timing of recognition of impairment provisions and charges.

(ii) The first paragraph of the Risk Factor entitled **"Downgrades to the Irish sovereign or the Group's credit ratings or outlook could impair the Group's access to private sector funding, trigger additional collateral requirements and weaken its financial position"** on page 21 is updated as follows:

"As at the date of this Supplement, the long-term/short term sovereign credit ratings for Ireland are:

A+ (Stable) / A-1 from Standard & Poor's; Baa1 (Stable) / P-2 from Moody's; A- (Stable) / F1 from Fitch; and A (Stable) / R-1 (low) from DBRS Inc. (Source: National Treasury Management Agency website).

As at the date of this Supplement, the long-term/short term credit ratings for the Group are BBB- (Positive) / A-3 from Standard and Poor's; Baa2 (Stable) / P-2 (Deposit Rating: Baa2 (Stable) / P-2) from Moody's; BB+ (Positive) / B from Fitch; and BBB (High) (Under review - negative) / R-1 (low) (Under review – negative) from DBRS."

## 4. RECENT DEVELOPMENTS

The below additional disclosure is added to the section entitled "Recent Developments" on page 97 of the Base Prospectus and the Listing Particulars:

### *Lloyds Banking Group loan portfolio*

On 30 July 2015, the Bank, together with Ennis Property Finance Limited, an entity affiliated to Goldman Sachs and Feniton Property Finance Limited, an entity affiliated to CarVal, agreed terms to acquire a commercial loan portfolio from Lloyds Banking Group plc. As part of the transaction, the Bank will acquire a portfolio of approximately €200 million performing commercial loans, comprising over 650 customers in the SME and CRE sectors.

## 5. GENERAL

To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into the Base Prospectus or the Listing Particulars by this Supplement and (b) any other statement in, or incorporated by reference into, the Base Prospectus or the Listing Particulars, the statements in (a) above will prevail.

Save as described in this Supplement, there has been no significant change in the information contained in the Base Prospectus or the Listing Particulars and no significant new matter has arisen since 18 June 2015, the date of the publication of the Base Prospectus and the Listing Particulars.

For as long as the Programme remains in effect or any Notes are outstanding, copies of (i) the current Base Prospectus and the Listing Particulars in relation to the Programme, together with any amendments or

supplements thereto (including this Supplement) and (ii) any documents incorporated therein by reference may be inspected physically at the head office of the Issuer.