Bank of Ireland Credit Presentation

February 2017

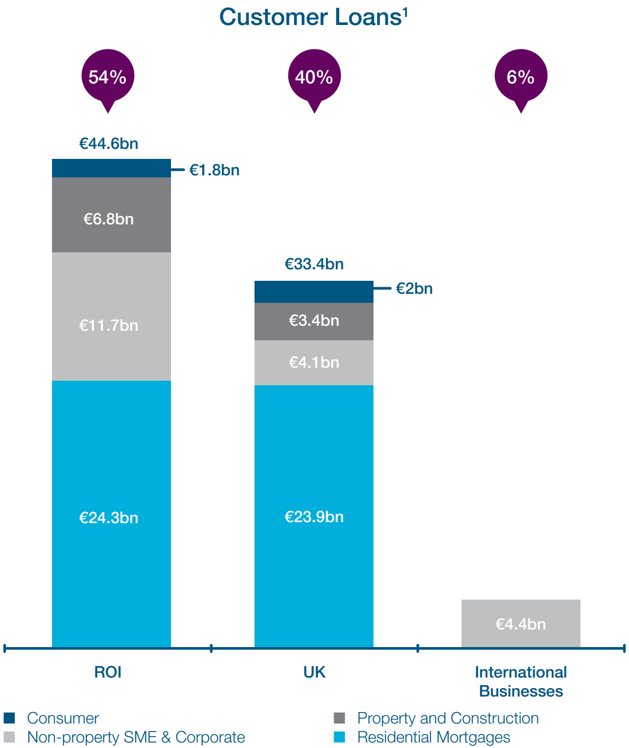
Bank of Ireland Group

Bank of Ireland Overview

Bank of Ireland Franchises

Benefitting from Irish growth with International diversification

Bank of Ireland Group



[1]Gross loans and advances to customers at 31 Dec 2016 of €82.4bn

ROI

- Continue to be the largest lender to the Irish economy
- #1 or #2 market positions across all principal product lines
- Strong commercial discipline on lending and deposit margins
- Continuing to benefit from and support economic growth in Ireland

UK

- Attractive partnerships including the Post Office and AA
- Commission based business model provides flexibility to adapt quickly to market developments
- Focussed predominantly on consumer sector
- BOI (UK) plc is a separately regulated, capitalised and self funded business

International Business – Acquisition finance business

- Mid market US/European business
- Strong 20+ year track record
- Good geographic and sectoral diversification
- Generates attractive margins and fee income within disciplined risk appetite

Bank of Ireland Overview 2016

Bank of Ireland Group

Underlying PBT of €1,071m

	2015	2016
Total Income	€3,272m	€3,015m
Net Interest Margin (NIM)	2.19%	2.19%
Operating expenses Core Banking Platforms investment Levies and regulatory charges	(€1,746m) - (€75m)	(€1,747m) (€41m) (€109m)
Impairment charges	(€296m)	(€178m)
Underlying profit before tax	**€1,201m**	**€1,071m**

Robust balance sheet metrics

	2015	2016
Customer loans (net)	€84.7bn	€78.5bn
Non-performing loans	€12.0bn	€7.9bn
CET1 ratios: Transitional Fully Loaded	 12.9%[1] 11.3%	 14.2% 12.3%
Transitional Total Capital Ratio	17.5%[1]	18.5%
Liquidity metrics: NSFR LCR LDR	120% 108% 106%	122% 113% 104%

- Continued organic capital generation
  - Fully loaded CET1 up 100bps to 12.3%
  - Transitional CET1 up 90bps to14.2%
- Underlying profit of €1,071m in 2016
- NIM of 2.19% (H1 2016 - 2.11%, H2 2016 - 2.27%)
- Strong discipline on pricing and risk – priority is to protect and generate capital
- New lending of €13.0bn increased 1% YoY
  - Continue to be largest lender to the Irish economy in 2016
  - Growth in core loan book of €1.7bn
- NPLs reduced by €4.1bn (34%) in 2016 to €7.9bn;
  - All asset categories reduced
  - Defaulted loans of €6.9bn now c.8% of customer loans; down >60% from reported peak in June 2013
- Net impairment charge of 21bps in 2016 vs 32bps in 2015

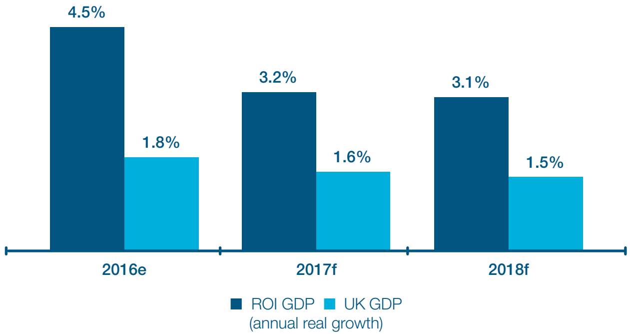
[1]Transitional CET1 ratio of 12.9% and Total capital ratio of 17.5% are the pro-forma ratios as at 1 Jan 2016 allowing for the impact of CRD IV phasing in 2016

Economic Overview

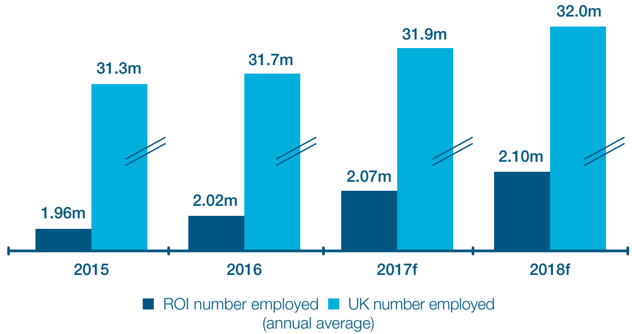
Supportive economic backdrop

Continued growth expected in Irish and UK economies

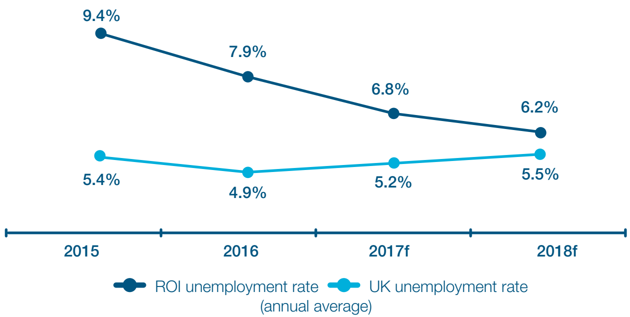
Irish and UK Economies are growing



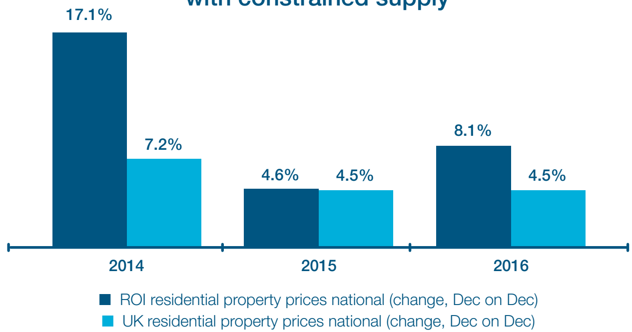
And creating jobs



Unemployment rate falling in Ireland, remains low in UK



Demand driven increases in house prices with constrained supply

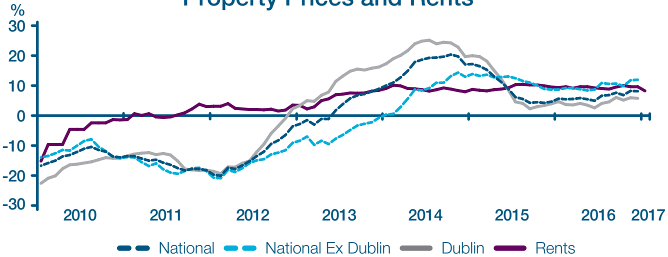


Sources: Bank of Ireland Economic Research Unit, Central Statistics Office, Office for National Statistics, Nationwide

Support for housing market

- House prices increasing, faster outside of Dublin than in the capital
- Completions up 17.9% in 2016 to 14,932, but remain below estimated demand of c.30,000 per annum
- Residential transactions slightly lower in 2016 vs 2015
- Mortgage lending in 2016 up 5.2% (c.29,500 loans) and 12.3% (c.€5.7bn) y-o-y in volume and value terms
- New Government 'Help to Buy' scheme and loosening of Central Bank's LTV rules for first time buyers will support demand

Property Prices and Rents



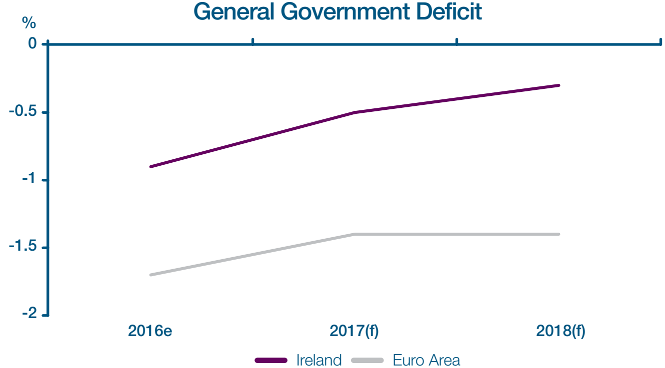
Graph shows year-on-year change in residential prices and private rents
Source: CSO

Graph shows year-on-year change Q4 2016
Source: IPD

Public finances improving

- Budget 2017 package injects €1.3bn into economy
- Solid tax revenue growth and spending control means deficit target of 0.9% of GDP in 2016 to be met
- Debt to GDP ratio estimated at 76% of GDP at end 2016, Government has pledged to reduce to 45% of GDP by mid 2020s
- Ireland is fully engaged in debt markets, sovereign yields at low levels. The NTMA has already raised c. 50% of its funding target for 2017

General Government Deficit



Graph shows General Government deficit as a % of GDP
Source: Department of Finance, EU Commission

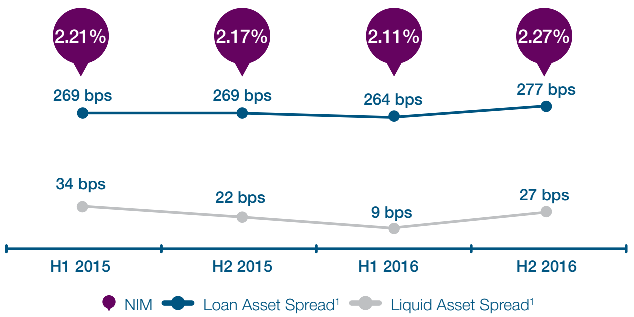
Operating Performance

Net interest income

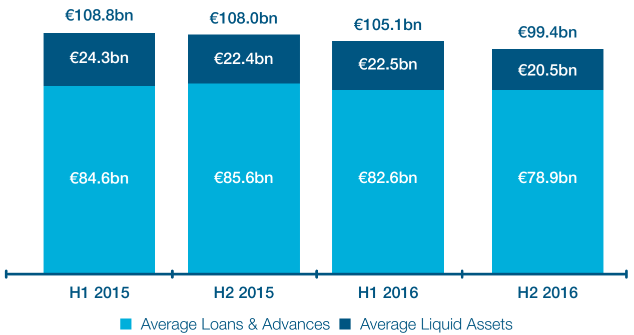
NIM benefitting from new lending and lower funding costs

Bank of Ireland Group

Net interest margin drivers



Average interest earning assets



Net interest income - €2,283m

- Net interest income lower than 2015 due primarily to FX translation impact of c.€90m, the impact of the low interest rate environment and lower liquid asset income

NIM

- 2016 NIM of 2.19% (H1 2016: 2.11%, H2 2016: 2.27%) reflects;
  - Positive impact from new lending and strong commercial discipline on pricing
  - Maturity of expensive CoCo (€1bn; 10% fixed coupon) at end July 2016
  - Lower cost of deposit funding, offset by;
  - Continued impact of low interest rate environment
- Expect NIM to grow modestly from H2 2016 level through 2017

Average interest earning assets

- Reduced to €99.4bn in H2 2016. Reduction primarily due to FX translation impact

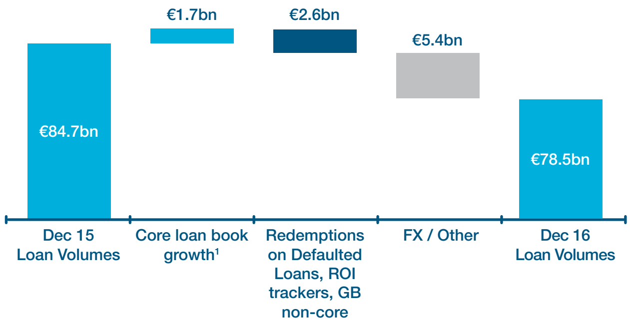
[1]Spread = Loan asset yield or Liquid asset yield less Group's average cost of funds

Loans and advances to customers

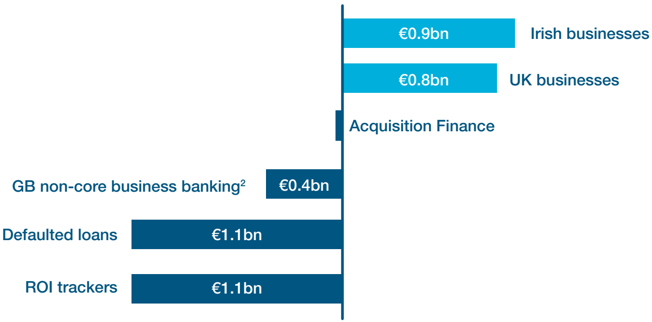
Continued growth in core loan books

Bank of Ireland Group

Group loan book movement in 2016



Net Lending Growth[3]



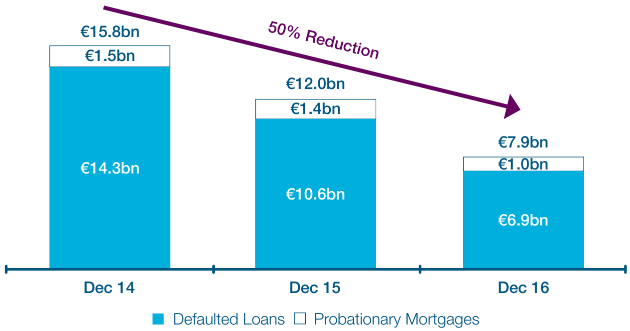
- Core loan books[1] grew by €1.7bn in 2016
- Customer loans decreased by c.€6.2bn to €78.5bn; primarily due to FX translation impact of €5.4bn and redemptions of defaulted loans, ROI tracker mortgages and GB non-core business banking loan books[2] (€2.6bn)
- New loan volumes of €13.0bn and acquisitions of €0.2bn in 2016. New lending[3] on a constant currency basis increased 1% vs. 2015;
  - Retail Ireland new lending up €0.4bn (9%)
  - Retail UK new lending of £4.1bn broadly flat vs. 2015. New mortgage volumes decreased reflecting our discipline in pricing and risk in H2 2016. Growth in consumer book reflects new partnership with AA
  - Corporate new lending up €0.3bn (18%) vs. 2015. Acquisition Finance new lending down €0.4bn with book remaining flat
- Redemptions of €14.1bn broadly in line with 2015
- We will maintain appropriate focus on risk and pricing

[1]Core loan book growth excludes cash from defaulted loans, redemptions of low yielding ROI tracker mortgages and redemptions of GB non-core business banking loans
[2]GB business and corporate loan books, which BOI is required to run down under its EU approved Restructuring Plan (2015 - £1.3bn; 2016 - £0.9bn)
[3]Excludes portfolio acquisitions (2015 - €0.6bn; 2016 - €0.2bn)

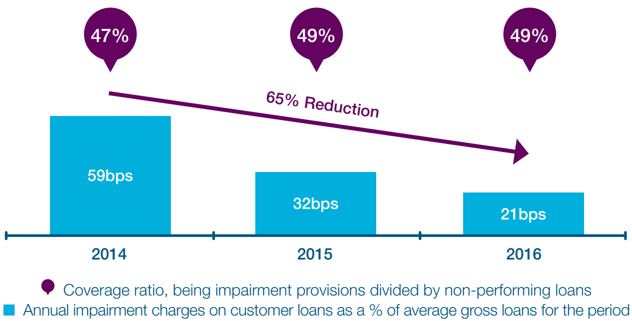
Non-performing loans and impairment charges

Significant reduction of €4.1bn (34%) in non-performing loans in 2016

Non-performing loans



Impairment charge on customer loans



Non-performing loans - €7.9bn

- €4.1bn reduction during 2016; 50% reduction in NPLs over last two years
- Reductions in all asset classes
- Defaulted loans component of €6.9bn; down >60% from reported peak in June 2013
- The reduction in NPLs reflects the Group's ongoing progress with resolution strategies and the positive economic environment
- Expect further reductions in 2017 and beyond; pace will be influenced by a range of factors

Impairment charge on customer loans

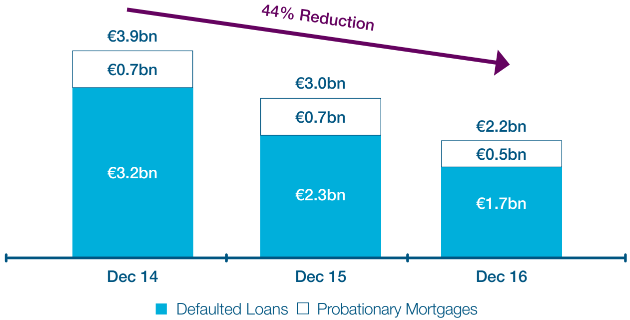
- Net impairment charge of 21bps for 2016
- NPL coverage ratio of 49%
- Net impairment charge for 2017 expected to be broadly similar to 2016 charge

Note: Non-performing loans includes defaulted loans plus probationary mortgages

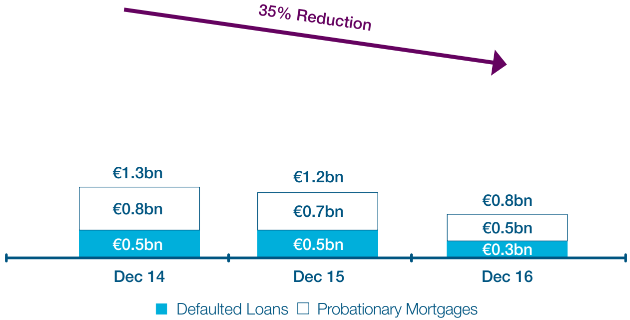
Non-performing loans by portfolio

Reducing across all asset classes

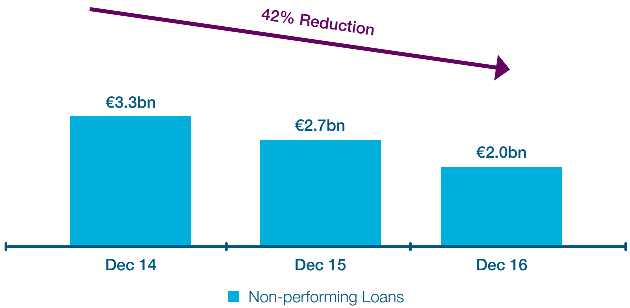
ROI Mortgages



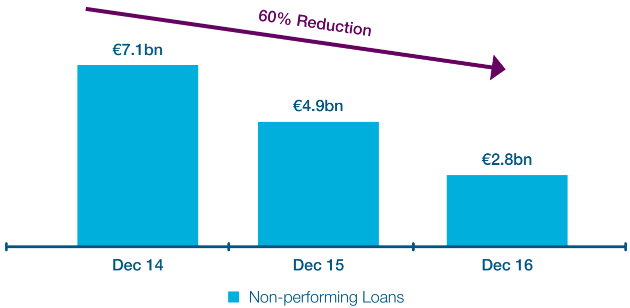
UK Mortgages



Non property SME and Corporate



Property and Construction

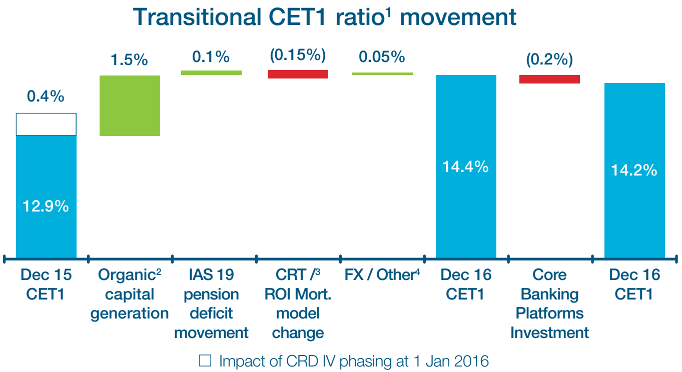


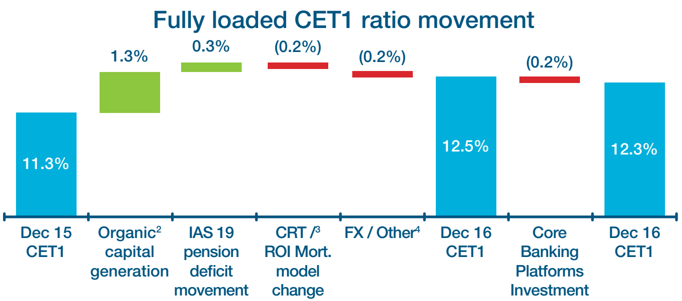
Note: Non-performing loans includes defaulted loans plus probationary mortgages

Capital & Funding

Capital

Strong organic capital generation





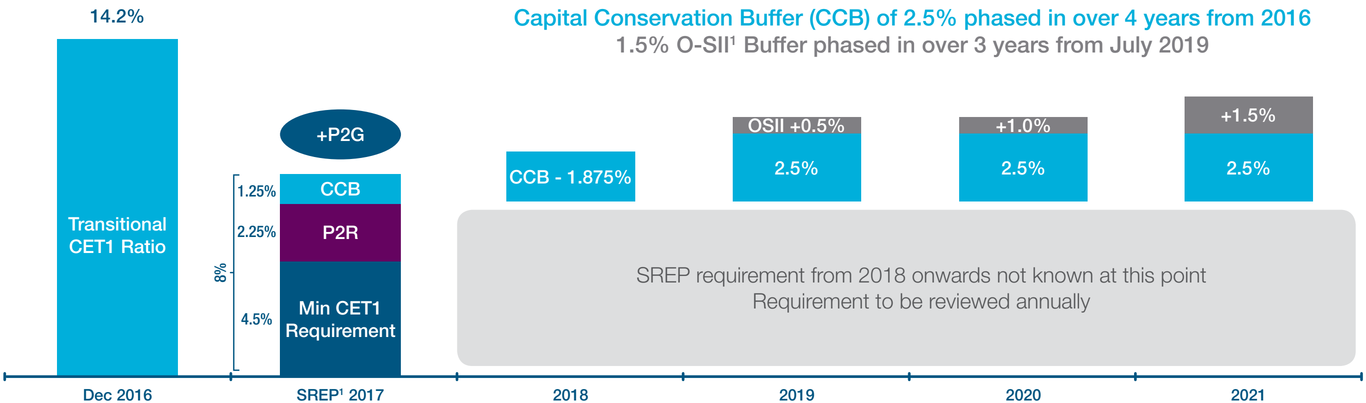
- Strong organic capital generation in 2016; Robust capital ratios;
  - Transitional CET1 ratio of 14.2%
  - Fully loaded CET1 ratio of 12.3%
  - Transitional Total Capital ratio of 18.5%
- Transitional leverage ratio of 7.3%; Fully loaded leverage ratio of 6.4%
- IAS19 accounting standard defined benefit pension deficit of €0.45bn (Dec 15: €0.74bn)[5]
- Core Banking Platforms investment;
  - Investment in 2016 of c.€105m (CET1 ratio impact of 20bps) of which €41m charged to income statement
  - Expect investment with a CET1 ratio impact of c.35-45bps p.a. over the next 4 years with c.50% charged to income statement and c.50% capitalised
- Regulators have confirmed their preferred resolution strategy requires the establishment of a holding company;
  - Will be subject to shareholder approval
  - Further updates in due course

[1]The pro-forma CET1 ratio at 1 January 2017 is estimated at 14.0%, reflecting the phasing in of CRD IV deductions for 2017
[2]Organic capital generation consists of attributable profit, AFS reserve movements, the reduction in the DTA deduction (DTAs that rely on future profitability), movements in the Expected Loss deduction and RWA book size and quality movements. Transitional organic capital generation is 20bps higher due to the phasing impacts on AFS reserves and the DTA/Expected Loss deductions
[3]In December 2016, the Group executed a credit risk transfer (CRT) transaction while also revising its calculation of capital requirements under the IRB approach for its ROI mortgage non-defaulted loan portfolio in advance of the ECB's targeted review of internal models (TRIM)
[4]Relates primarily to FX and other regulatory deductions. Transitional CET1 also includes the positive impact from the removal of the sovereign filter
[5]Note that deficit clearing contributions of €0.1bn during 2016 do not impact fully loaded ratios

Regulatory Capital Requirements

Supervisory Review and Evaluation Process (SREP[1]) requirement

Bank of Ireland Group



Minimum Regulatory Capital Requirement

- Pillar 2 requirements (P2R)
  - Required to maintain a minimum CET1 ratio of 8% on a transitional basis from 1 January 2017
  - Includes a Pillar 1 requirement of 4.5%, a P2R of 2.25% and a capital conservation buffer for 2017 of 1.25%
  - The CBI (ROI) and FPC (UK) have set the countercyclical buffer (CCyB)[2] at 0%
- Pillar 2 guidance (P2G) is not disclosed in accordance with regulatory preference

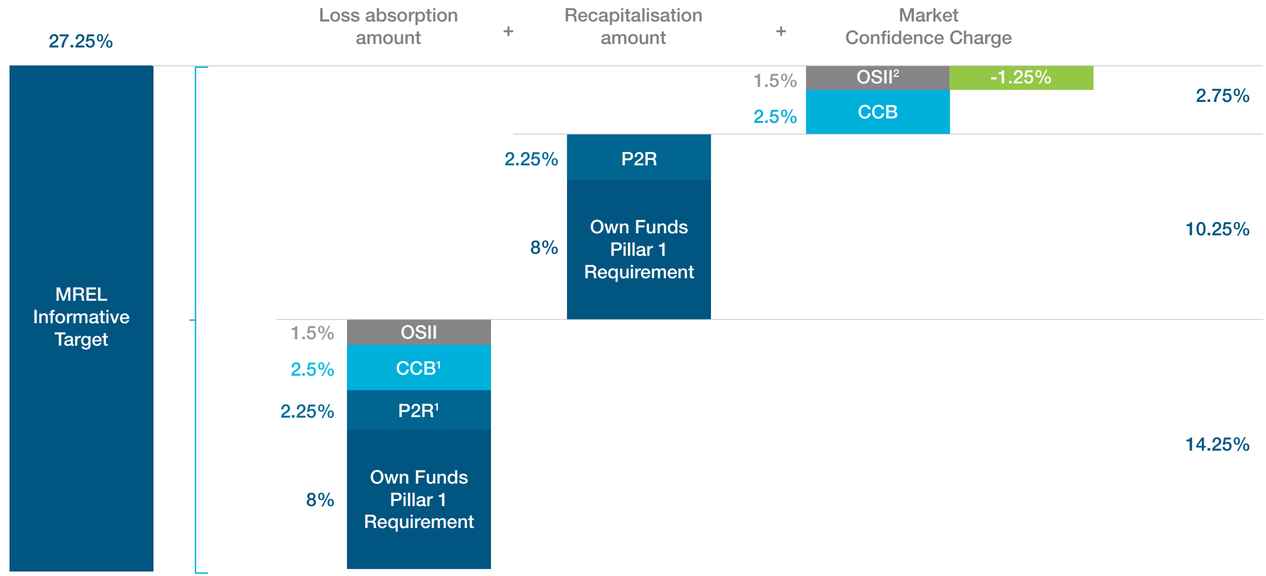
Capital Guidance

- Expect to maintain a CET1 ratio in excess of 12% on a transitional basis and on a fully loaded basis by the end of the phase-in period
- Includes meeting applicable regulatory capital requirements plus an appropriate management buffer

[1]SREP and O-SII requirement are subject to annual review by the Single Supervisory Mechanism (SSM) and the Central Bank of Ireland (CBI) respectively
[2]CCyB is subject to quarterly review by Central Bank of Ireland (ROI) and Financial Policy Committee (UK)

Regulatory Requirements

MREL "Informative Target"



- SRB published methodology[3] for calculation of informative MREL target
- Regulatory guidance expected during 2017 on:
  - MREL requirements
  - Phase-in period
  - Internal MREL requirements / Downstreaming
- MREL Target is expressed as a percentage of Total RWA
- SRB confirm that "MREL target does not consider bank specific analysis"

[1] Capital Conservation Buffer (CCB) and Pillar 2 Requirement (P2R)
[2] SREP and O-SII requirement are subject to annual review by the Single Supervisory Mechanism (SSM) and the Central Bank of Ireland (CBI) respectively
[3] Source: https://srb.europa.eu/en/node/176

Funding Update

Bank of Ireland Group

	Dec 15 (€m)	Dec 16 (€m)
Customer Loans	85	78
Liquid Assets	24	21
Customer Deposits	**80**	**75**
Retail Ireland	*39*	*41*
Retail UK	*29*	*23*
Corporate	*12*	*11*
Wholesale Funding	**14**	**14**
Private Markets	*13*	*11*
Monetary Authority	*1*	*3*
Liquidity Metrics *NSFR*	120%	122%
LCR	108%	113%
LDR	106%	104%

Customer deposits – €75.2bn

- Customer deposits funding >95% of customer loans
- Predominantly sourced through retail distribution channels
- Ongoing shift from term deposits to current accounts due to the low interest rate environment

Wholesale funding – €14.4bn

- Strong liquidity position facilitated buyback of €0.9bn of expensive debt in 2016
- Monetary Authority borrowings of €3.4bn reflecting Group's usage of cost efficient long term funding facilities

Strong liquidity ratios

- Net Stable Funding Ratio – 122%
- Liquidity Coverage Ratio – 113%
- Loan to Deposit Ratio – 104%

BOI Credit Ratings

Bank of Ireland Group

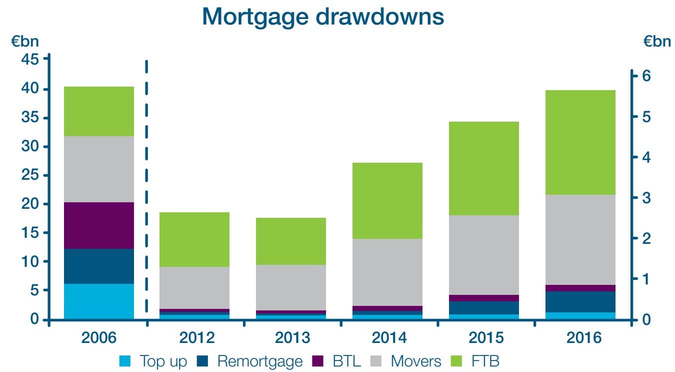
	STANDARD & POOR'S	MOODY'S	FitchRatings
Senior Unsecured	BBB (Stable)	Baa2 (Positive)	BBB- (Positive)
Issuer Specific Rating	**Stand Alone Credit Profile (SACP):** bbb	**Baseline Credit Assessment (BCA):** ba1	**Viability Rating:** bbb-
Progress on BOI Credit Ratings	**Aug 2016:** BBB-rating affirmed by S&P (Positive outlook); 1 notch SACP rating upgrade from bbb- to bbb **Jan 2017:** 1 notch senior unsecured upgrade from BBB- to BBB (outlook revised to Stable)	**Sep 2016:** 1 notch baseline credit assessment upgrade from ba2 to ba1	**Dec 2016:** BBB- (Positive outlook) affirmed by Fitch
Key Rating Drivers Upside could develop from:	▶ Reduction in non-performing loans ▶ Additional loss-absorbing capacity (ALAC) uplift	▶ Improvements in capital metrics, while maintaining stable profitability, funding and liquidity metrics ▶ Reduction in non-performing loans	▶ Reduction in non-performing loans ▶ Strong internal capital generation and strengthening capital ratios

Covered Bond Overview

Overview of Irish Mortgage Market

Bank of Ireland Group

Source: CBI



Source: BPFI

Structure of Irish Mortgage Market

- Size of Irish mortgage market reduced c.28% from 2009 peak (c.€107bn Dec 2016)
- Predominantly principal and interest structured market

New lending

- Total new mortgage lending of c.€5.7bn in 2016, 12.3% increase vs 2015
- Increase largely driven by FTB and Mover Purchaser

Macro prudential rules

- Nov 2016 CBI amended rules;
  - PDH for first time buyers: Limit increased to 90%
  - PDH for movers: 80% limit remains
  - BTL 70% limit remains
  - 5% of new lending to FTB, 20% to movers, 10% to BTL allowed above limits
- LTI at 3.5 times loan to gross income remains. 20% of new lending can be above this cap

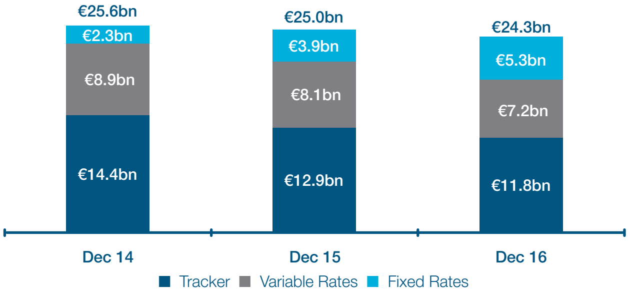
Help to buy

- The Government has introduced a help to buy scheme to the end of 2019 for FTBs; tax rebate of 5% of purchase price (up to a maximum rebate of €20,000)

ROI Mortgages: €24.3bn

Bank of Ireland Group

ROI Mortgages (gross)



- Trackers reduced by €1.2bn since Dec 15; €2.6bn since Dec 14
- €11.0bn or 93% of trackers at Dec 16 are on a capital and interest repayment basis
- 76% of trackers are owner occupier mortgages; 24% of trackers are Buy to Let mortgages
- Loan asset spread on ECB tracker mortgages was c.48bps[2] in 2016, compared to Group net interest margin (including ECB trackers) of 219bps in 2016
- Average LTV of 72% on existing stock at Dec 2016 (Dec 15: 80%)
- Average LTV of 67%[3] on new mortgages in 2016 (Dec 15: 67%)[3]

Market share

	2015	2016
New Lending Volumes[1]	€1.4bn	€1.4bn
Market share	29%	25%

- We have a 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.75% of our new lending in 2016, up from c.30% in 2014
- BOI does not sell through broker channel in ROI
- c.70% of ROI customers who take out a new mortgage take out a life assurance policy through BOI Group
- c.50% of ROI customers who take out a new mortgage take out a general insurance policy through BOI Group with insurance partners

[1]Excludes mortgage portfolio acquisitions (2015 - €0.2bn; 2016 - €0.2bn)
[2]Average customer pay rate of 109bps less Group average cost of funds in 2016 of 61bps
[3]Note that the LTV on new business includes the impact of the acquired portfolios

Mortgage Underwriting Process

Centralised Underwriting in-place, no delegated discretions

Bank of Ireland Group

1 Customer Application	2 Customer Credit Analysis	3 Credit Decision	4 Loan Administration

Step 1	▶ Customer makes application through Branch or Direct channels (Internet / Phone / Mobile Mortgage Manager) ▶ Anti Money Laundering checks completed ▶ Interview completed (face to face if branch or Mobile Mortgage Manager, via telecall if Phone or follow up call if Internet) ▶ Standard application contains assessment of; Borrower financial strength (income vs. expenditure, assets vs. liabilities) plus assessment of transaction including structure (LTV, tenor), security property, overall financial risk etc
Step 2	▶ Auto calls made to Credit Bureau and Risk Models ▶ Underwriting receives online application with Bureau and Risk model output plus supporting creditworthiness documents ▶ Assessment against Credit Policy and Regulatory requirements
Step 3	▶ Credit Decision is made ▶ Typical Max LTV 80% for Owner Occupier and Buy to Let 70% (CBoI Macro-Prudential limits – some limited exceptions permitted to max. 90% LTV) ▶ Appeals process in place for declined applications
Step 4	▶ Mortgage Approval ▶ Formal letter to offer issued detailing T&Cs

Strengths of Irish ACS Legislation

Key Legislative Features of Irish ACS

Bank of Ireland Group

Robust collateral restrictions	▶ Qualified deposits and EEA mortgages (BOIMB uses only Irish residential mortgages) ▶ LTV limits of 75% for liquidity purposes
Mark to market cover pool	▶ National CSO Residential Property Price Index updated monthly ▶ Requirement to incorporate changes quarterly, monitored externally
Strong overcollateralisation (OC)	▶ Minimum contractual OC of 5% and minimum legislative OC of 3% ▶ Both legislative and contractual commitments on a prudent market value basis
Robust external monitoring	▶ Cover-Assets Monitor (CAM) responsible for monitoring the cover pool and the ACS issuer's compliance with specific provisions of the ACS Acts ▶ Appointment of CAM approved by CBI
Strict ALM requirements	▶ Duration, interest and currency matching ▶ Interest rate risk control
Clarity in event of bankruptcy	▶ NTMA pre-defined manager of cover pool as a last resort
Preferential claims	▶ ACS holders are preferred creditors in relation to the cover assets (ranking after the CAM and the NTMA and equally with the ACS hedge counterparties)

Bank of Ireland Mortgage Bank ACS

Bank of Ireland Group

Table 1 Cover Pool Summary	Dec-13	Dec-14	Dec-15	Dec-16
Total property valuation (bn)	€20.0	€21.9	€22.3	€21.3
Aggregate balances of the mortgages (bn)	€13.3	€12.3	€11.2	€10.2
Weighted average indexed LTV	96.1%	82.0%	73.7%	70.7%
% of accounts in arrears (≥ 3 months)	0.04%	0.03%	0.01%	0.04%

Table 2 Bond Summary	Dec-13	Dec-14	Dec-15	Dec-16
Value of bonds (bn)	€10.0	€9.0	€7.4	€7.9
Nominal overcollateralisation	49%	54%	68%	44%
Prudent market value of mortgages (bn)	€10.4	€10.5	€10.1	€9.3
Qualified substitution assets (bn)	€1.5	€1.3	€1.1	€1.2
Prudent market value of cover pool (bn)	€11.9	€12.0	€11.2	€10.5
Legislative overcollateralisation	19%	32%	52%	32%

Key Features

- 100% Irish Residential mortgages
- Cover pool marked to market at intervals not exceeding 3 months using Central Statistics Office (CSO) residential Property Price Index
- Strong overcollateralisation (OC) – significantly above min contractual OC of 5% and min legislative OC of 3% (both on a prudent market value basis)
- BOIMB policy to remove non-performing assets (payment due ≥ 3 months) from the pool on a quarterly basis
- Compliance with cover pool obligations monitored by independently regulated Cover Assets Monitor
- Pre-defined process in event of insolvency

Covered Bond Ratings

- Strong covered bond credit ratings; Moody's Aa1, DBRS AA (high)

Additional Information

Additional Information

Bank of Ireland Group

BOI Overview

Income Statement[1]

Bank of Ireland Group

	y/e Dec 12 (€m)	y/e Dec 13 (€m)	y/e Dec 14 (€m)	y/e Dec 15 (€m)	y/e Dec 16 (€m)
Total income	1,862	2,646	2,974	3,272	3,105
Net interest income	*1,755*	*2,133*	*2,358*	*2,454*	*2,283*
Other income	*495*	*642*	*653*	*828*	*842*
ELG fees	*(388)*	*(129)*	*(37)*	*(10)*	*(20)*
Operating expenses	(1,589)	(1,545)	(1,601)	(1,746)	(1,747)
Core Banking Platforms investment	-	-	-	-	(41)
Levies and regulatory charges[1]	(49)	(31)	(72)	(75)	(109)
Operating profit pre-impairment	224	1,070	1,301	1,451	1,208
Net impairment charges	(1,769)	(1,665)	(472)	(296)	(178)
Customer loans	*(1,724)*	*(1,665)*	*(542)*	*(296)*	*(176)*
AFS	*(45)*	*-*	*70*	*-*	*(2)*
Share of associates / JVs	46	31	92	46	41
Underlying (loss) / profit before tax	**(1,499)**	**(564)**	**921**	**1,201**	**1,071**
Non core items	(679)	44	(1)	31	(39)
Statutory (loss) / profit before tax	(2,178)	(520)	920	1,232	1,032
NIM	1.25%	1.84%	2.11%	2.19%	2.19%
Cost / income ratio	85%	58%	54%	53%	58%

[1]Figures as reported, with the exception of y/e Dec 13 which includes a €5m reduction in Operating expenses relating to IFRIC 21 adjustments

BOI Overview

Summary Balance Sheet

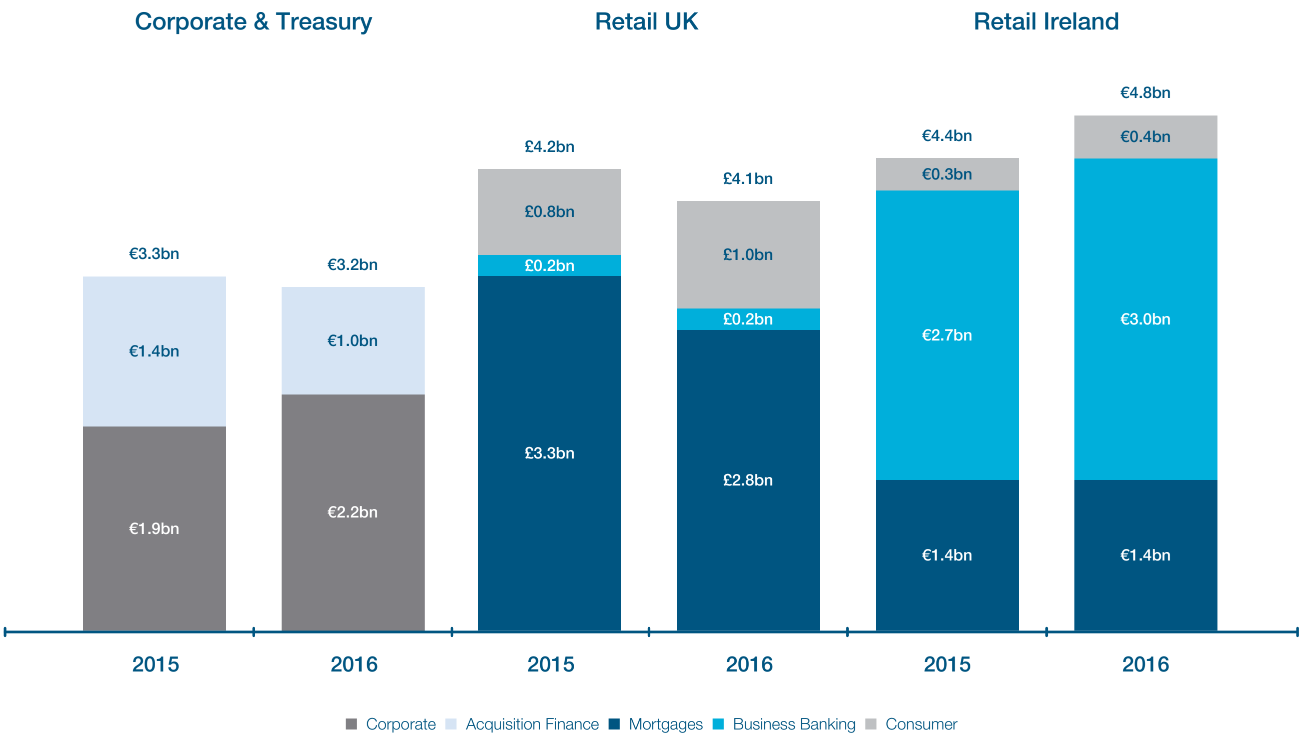
	Dec 12 (€bn)	Dec 13 (€bn)	Dec 14 (€bn)	Dec 15 (€bn)	Dec 16 (€bn)
Customer loans[1]	93	85	82	85	78
Liquid assets	33	27	25	24	21
BOI Life assets	13	14	16	16	17
Other assets	9	6	7	6	7
Total assets	**148**	**132**	**130**	**131**	**123**
Customer deposits	75	74	75	80	75
Wholesale funding	39	27	20	14	14
Private Sources	*24*	*19*	*16*	*13*	*11*
Monetary Authority / TLTRO	*15*	*8*	*4*	*1*	*3*
BOI Life liabilities	13	14	16	16	17
Subordinated liabilities	2	2	2	2	1
Additional Tier 1 instruments	-	-	-	1	1
Other liabilities	10	7	8	10	6
Stockholders' equity	9	8	9	8	9
Total liabilities & Stockholders' equity	**148**	**132**	**130**	**131**	**123**
CET1 / Core Tier 1 Ratio[2]	11.1%	10.0%	12.3%	13.3%	14.2%
Total capital ratio[2]	12.1%	11.3%	15.8%	18.0%	18.5%
Loan to deposit ratio	123%	114%	110%	106%	104%

[1]Loans and advances to customers is stated after impairment provisions

[2]CET1 / Core Tier 1 and Total Capital ratios are stated under Basel II rules as amended for PCAR requirements for 2012 and under Basel III transitional rules for 2013 – 2016, all excluding 2009 Prefs

Loans and Advances to Customers

New business volumes



Income Statement

Net interest income analysis

Bank of Ireland Group

	H1 2015			H2 2015			H1 2016			H2 2016		
	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	37.1	593	3.22%	36.8	589	3.17%	36.5	552	3.04%	36.0	554	3.07%
UK Loans	35.6	656	3.71%	36.4	661	3.60%	33.5	580	3.48%	30.2	475	3.13%
C&T Loans	11.9	253	4.31%	12.4	252	4.04%	12.6	253	4.05%	12.7	264	4.13%
Total Loans & Advances to Customers	**84.6**	**1,503**	**3.58%**	**85.6**	**1,502**	**3.49%**	**82.6**	**1,385**	**3.37%**	**78.9**	**1,293**	**3.26%**
Liquid Assets	24.3	148[1]	1.23%	22.4	115[1]	1.02%	22.5	92[1]	0.82%	20.5	78[1]	0.76%
Total Interest Earning Assets	**108.8**	**1,651**	**3.06%**	**108.0**	**1,617**	**2.97%**	**105.1**	**1,477**	**2.83%**	**99.4**	**1,371**	**2.74%**
Ireland Deposits	21.9	(48)	(0.44%)	22.0	(33)	(0.30%)	22.1	(26)	(0.24%)	21.9	(17)	(0.15%)
Credit Balances[2]	20.8	(1)	(0.01%)	22.4	(1)	(0.01%)	23.8	(1)	(0.01%)	25.3	(1)	(0.01%)
UK Deposits	25.9	(158)	(1.23%)	25.6	(161)	(1.25%)	24.6	(154)	(1.26%)	20.7	(111)	(1.07%)
C&T Deposits	8.8	(33)	(0.76%)	8.3	(27)	(0.65%)	7.7	(21)	(0.55%)	6.8	(14)	(0.41%)
Total Deposits	**77.5**	**(240)**	**(0.62%)**	**78.4**	**(223)**	**(0.56%)**	**78.2**	**(202)**	**(0.52%)**	**74.7**	**(143)**	**(0.38%)**
Wholesale Funding	18.1	(101)	(1.13%)	14.3	(72)	(1.00%)	13.6	(49)	(0.71%)	13.4	(32)	(0.47%)
Subordinated Liabilities	2.5	(91)	(7.34%)	2.4	(88)	(7.32%)	2.4	(91)	(7.72%)	1.5	(48)	(6.13%)
Total Interest Bearing Liabilities	**98.1**	**(432)**	**(0.89%)**	**95.1**	**(383)**	**(0.80%)**	**94.2**	**(342)**	**(0.73%)**	**89.6**	**(223)**	**(0.49%)**
IFRS Income Classification		(29)			(54)			(33)			(13)	
Net Interest Margin	**108.8**	**1,190**	**2.21%**	**108.0**	**1,180**	**2.17%**	**105.1**	**1,102**	**2.11%**	**99.4**	**1,135**	**2.27%**
Average ECB Base rate in the period			0.05%			0.05%			0.02%			0.00%
Average 3 month Euribor in the period			0.02%			(0.06%)			(0.22%)			(0.31%)
Average BOE Base rate in the period			0.50%			0.50%			0.50%			0.30%
Average 3 month LIBOR in the period			0.57%			0.58%			0.59%			0.41%

[1]Excludes any additional gains from portfolio re-configuration during the period
[2]Credit balances in H2 2016: ROI €18.7bn, UK €3.1bn and C&T €3.5bn

Income Statement

Other income analysis (net)

	2015 (€m)	2016 (€m)
Retail Ireland	331	319
Bank of Ireland Life	154	151
Retail UK	9	2
Corporate and Treasury	153	157
Group Centre and Other	(21)	(8)
Business Income	**626**	**621**
Other gains		
VISA Europe share disposal	-	95
Liquid asset portfolio rebalancing	173	63
Sale of investment properties / other assets	64	13
Other Valuation items		
Financial instrument valuation adjustments (CVA, DVA, FVA) and other	50	59
Economic assumptions – Bank of Ireland Life	4	35
Investment variance – Bank of Ireland Life	11	4
Fair value movement on Convertible Contingent Capital Note (CCCN) embedded derivative	(17)	(3)
IFRS income classification	(83)	(45)
Other Income	**828**	**842**

Income Statement

Non-core items

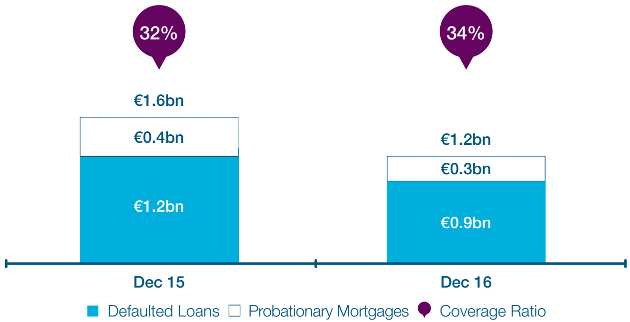
Bank of Ireland Group

	2015 (€m)	2016 (€m)
Gross-up for policyholder tax in the Life business	11	15
Gain arising on the movement in the Group's credit spreads	11	5
Investment return on treasury stock for policyholders	-	2
Impact of Group's pensions reviews (2010 and 2013)	4	-
Payments in respect of Career and Reward framework	(2)	-
Gain / (loss) on disposal / liquidation of business activities	51	(7)
Loss on liability management exercises	(1)	(19)
Cost of restructuring programme	(43)	(35)
Total non-core items	**31**	**(39)**

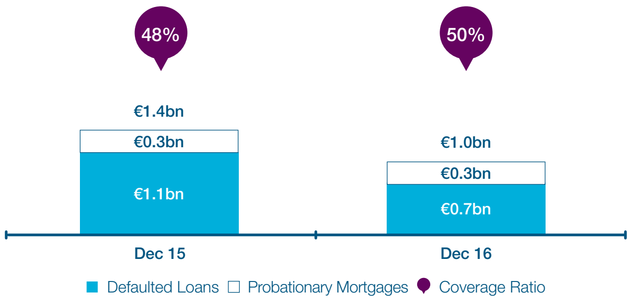
ROI Mortgages: €24.3bn

Bank of Ireland Group

Owner Occupied Non-performing loans



Buy to Let Non-performing loans



Portfolio Performance

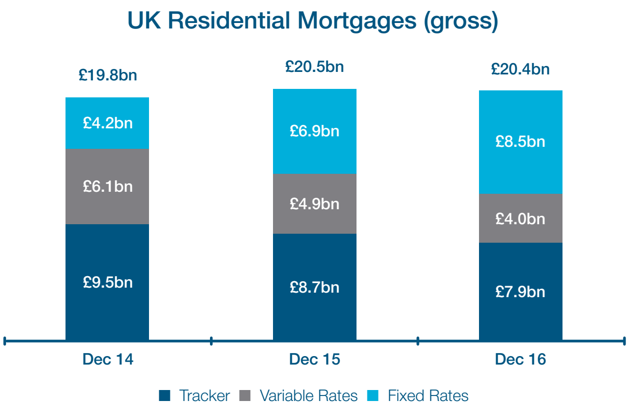
- Reduced NPLs[1] by €0.8bn to €2.2bn in 2016
- Defaulted loans component of €1.7bn; down 57% since reported June 2013 peak
- Continued trend of probationary mortgages returning to performing status
- €22.6bn or 93% of mortgages at Dec 16 are on a capital and interest repayment basis (Dec 15: 91%)
- Impairment credit of €141m in 2016 reflects ongoing improvement in portfolio performance
- Coverage ratio of 41% (Dec 15: 39%)
- 94% of mortgage accounts are in the up to date book; 9 out of 10 accounts in forbearance are meeting the terms of their arrangement

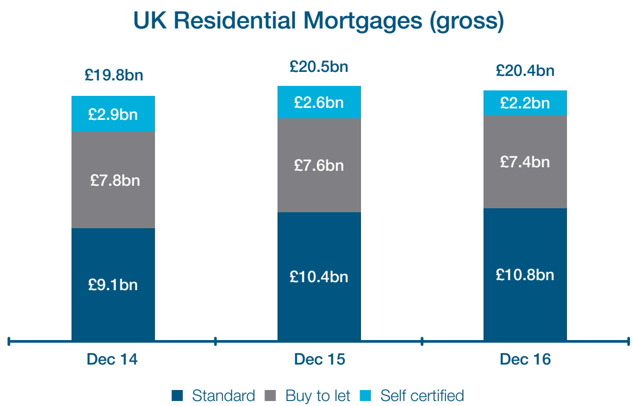
Industry Comparison

- BOI OO arrears (3.07%) at 34% of industry level[2] (Dec 15: 43%); BOI BTL arrears (7.65%) at 41% of industry level[3] (Dec 15: 56%)
- BOI OO arrears >720 days reducing and at 31% of industry level[4] (Dec 15: 37%); BOI BTL arrears >720 days reducing and at 32% of industry level[5] (Dec 15: 43%)

[1] Non-performing loans includes defaulted loans plus probationary mortgages (i.e. primarily mortgages that were previously defaulted but which are no longer defaulted at the reporting date; the mortgages are awaiting the successful completion of a 12 month probation period)
[2] At September 2016, BOI owner occupier arrears level (based on number of accounts >90 days in arrears) was 3.07% compared to 8.90% for industry excl BOI
[3] At September 2016, BOI buy to let arrears level (based on number of accounts >90 days in arrears) was 7.65% compared to 18.65% for industry excl BOI
[4] At September 2016, BOI owner occupier arrears (based on number of accounts >720 days in arrears) was 1.70% compared to 5.51% for industry excl BOI
[5] At September 2016, BOI buy to let arrears (based on number of accounts >720 days in arrears) was 4.16% compared to 12.93% for industry excl BOI

UK Residential mortgages: £20.4bn/€23.9bn





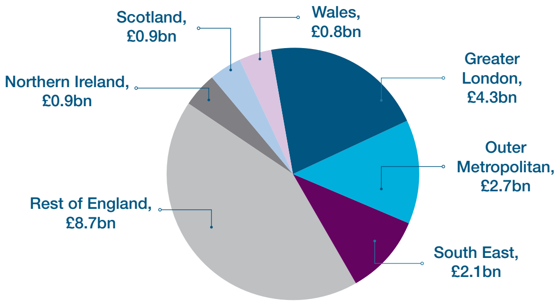
UK Residential Mortgages

- Average LTV of 62% on existing stock at 2016 (Dec 15: 63%)
- Average LTV of 71% on new UK mortgages in 2016 (Dec 15: 69%)

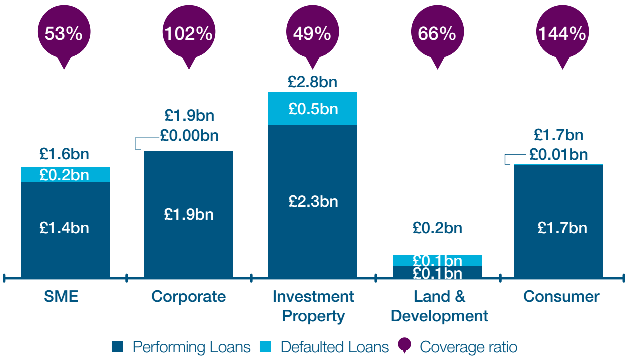
UK Customer Loans £28.6bn (€33.4bn)

Bank of Ireland Group

UK Mortgages – £20.4bn



Other UK Customer Loans – £8.2bn



UK Mortgages Analysis

- Total UK mortgages of £20.4bn; (NPLs[1] - 3%; Defaulted loans - 1%)
  - Average LTV of 62% on total book
  - Average LTV of 71% on new mortgages
- UK mortgage book continues to perform in line with industry averages[2]
- 87% of mortgages originated since 2010 are standard owner occupier mortgages
- BTL book is well seasoned with 84% of these mortgages originated pre 2009
- Average balance of Greater London mortgages is c.£196k. 89% of these mortgages have an average LTV <70%

Other UK Customer Loans Analysis

- Other UK loans exposure of £8.2bn; Defaulted loans of £0.8bn with strong coverage ratios. Investment Property defaulted loans have decreased by 65% in the last 2 years
- Performing loans of £7.4bn;
  - SME: broad sectoral diversification with low concentration risk
  - Corporate: specialist lending teams in Acquisition Finance, Project Finance, and Corporate lending through a focussed sector strategy
  - Investment Property: Retail (53%), Office (12%), Residential (16%) Other (19%)
  - Consumer: largest segment is asset backed motor financing of £1.0bn (56%). Book also includes Post Office / AA branded credit cards and personal loans

[1]Non-performing loans includes defaulted loans plus probationary mortgages (i.e. primarily mortgages that were previously defaulted but which are no longer defaulted at the reporting date; the mortgages are awaiting the successful completion of a 12 month probation period)

[2]Data published by the Council Mortgage Lenders (CML) for September 2016 indicates that the proportion (1%) of the UK mortgage book in default remains aligned to the UK industry average of 1%

Asset Quality

Profile of customer loans[1] at Dec 16 (gross)

Bank of Ireland Group

Composition (Dec 16)	ROI (€bn)	UK (€bn)	RoW (€bn)	Total (€bn)	Total (%)
Mortgages	24.3	23.9	-	48.2	59%
Non-property SME and corporate	11.7	4.1[2]	4.2	20.0	24%
SME	*8.8*	*1.9*	*0.0*	*10.7*	*13%*
Corporate	*2.9*	*2.2*	*4.2*	*9.3*	*11%*
Property and construction	6.8	3.4	0.2	10.4	12%
Investment property	*6.0*	*3.2*	*0.2*	*9.4*	*11%*
Land and development	*0.8*	*0.2*	*0.0*	*1.0*	*1%*
Consumer	1.8	2.0	-	3.8	5%
Customer loans (gross)	44.6	33.4	4.4	82.4	100%
Geographic (%)	54%	40%	6%	100%	

[1]Based on geographic location of customer

[2]Includes £0.9bn relating to GB business and corporate loan books, which BOI is required to run down under its EU approved Restructuring Plan (2015: £1.3bn)

Non-performing loans by portfolio

Bank of Ireland Group

Non-performing loans reducing across all portfolios

Composition (Dec 16)	Advances (€bn)	Non-performing loans (€bn)	Non-performing loans as % of advances	Defaulted loans (€bn)	Defaulted loans as % of advances	Impairment provisions (€bn)	Impairment provisions as % of non-performing loans	Impairment provisions as % of defaulted loans
Residential Mortgages	**48.2**	**3.0**	**6.3%**	**2.0**	**4.2%**	**1.0**	**33%**	**49%**
- Republic of Ireland	24.3	2.2	9.1%	1.7	6.9%	0.9	41%	54%
- UK	23.9	0.8	3.5%	0.3	1.4%	0.1	9%	23%
Non-property SME and Corporate	**20.0**	**2.0**	**9.8%**	**2.0**	**9.8%**	**1.1**	**55%**	**55%**
- Republic of Ireland SME	8.8	1.5	17.0%	1.5	17.0%	0.8	54%	54%
- UK SME	1.9	0.2	7.6%	0.2	7.6%	0.1	53%	53%
- Corporate	9.3	0.3	3.5%	0.3	3.5%	0.2	63%	63%
Property and construction	**10.4**	**2.8**	**27.3%**	**2.8**	**27.3%**	**1.7**	**61%**	**61%**
- Investment property	9.4	2.1	22.7%	2.1	22.7%	1.2	57%	57%
- Land and development	1.0	0.7	69.6%	0.7	69.6%	0.5	73%	73%
Consumer	**3.8**	**0.1**	**2.7%**	**0.1**	**2.7%**	**0.1**	**94%**	**94%**
Total loans and advances to customers	82.4	7.9	9.6%	6.9	8.4%	3.9	49%	56%

Composition (Dec 15)	Advances (€bn)	Non-performing loans (€bn)	Non-performing loans as % of advances	Defaulted loans (€bn)	Defaulted loans as % of advances	Impairment provisions (€bn)	Impairment provisions as % of non-performing loans	Impairment provisions as % of defaulted loans
Residential Mortgages	**52.9**	**4.2**	**7.9%**	**2.8**	**5.2%**	**1.3**	**31%**	**47%**
- Republic of Ireland	25.0	3.0	12.2%	2.3	9.3%	1.2	39%	52%
- UK	27.9	1.2	4.1%	0.5	1.6%	0.1	9%	22%
Non-property SME and Corporate	**21.0**	**2.7**	**13.0%**	**2.7**	**13.0%**	**1.4**	**53%**	**53%**
- Republic of Ireland SME	9.3	2.0	21.9%	2.0	21.9%	1.1	52%	52%
- UK SME	2.4	0.3	11.1%	0.3	11.1%	0.1	51%	51%
- Corporate	9.3	0.4	4.6%	0.4	4.6%	0.3	59%	59%
Property and construction	**13.4**	**4.9**	**36.8%**	**4.9**	**36.8%**	**3.0**	**61%**	**61%**
- Investment property	11.4	3.2	28.5%	3.2	28.5%	1.7	53%	53%
- Land and development	2.0	1.7	84.8%	1.7	84.8%	1.3	76%	76%
Consumer	**3.3**	**0.2**	**4.1%**	**0.2**	**4.1%**	**0.1**	**105%**	**105%**
Total loans and advances to customers	90.6	12.0	13.2%	10.6	11.6%	5.9	49%	56%

Asset Quality

Available for Sale Financial Assets

Bank of Ireland Group

Carrying Value	ROI €bn	UK €bn	France €bn	Other €bn	Dec 16 €bn	Dec 15 €bn
Sovereign bonds	2.3	0.6	0.7	1.6	5.2	**5.7**
Senior debt	-	-	0.2	1.5	1.7	**1.5**
Covered bonds	0.3	0.7	0.6	1.9	3.5	**2.2**
Subordinated debt	0.3	-	-	-	0.3	**0.3**
Asset backed securities	-	0.1	-	-	0.1	**0.4**
Total	**2.9**	**1.4**	**1.5**	**5.0**	**10.8**	**10.1**
AFS Reserve	0.4	-	-	-	0.4	**0.5**

Portfolio

- The Group held €10.8bn of AFS financial assets at Dec 2016; the Group also held an additional €1.9bn of Irish Government bonds in a HTM portfolio
- AFS Reserve - €0.4bn (HTM: €0.1bn). AFS reserve reduced by €0.1bn in 2016, primarily due to bond sales during the period
- In the AFS portfolio the Group holds NAMA subordinated bond – €0.3bn nominal value, valued at 98% (Dec 15 – 96%). Separately, BOI holds €0.5bn of NAMA senior bonds (Dec 15: €1.4bn)
- Weighted average credit rating of the AFS portfolio is A+ to AA-; weighted average credit rating of the HTM portfolio is A
- Of the total bond portfolio, <3% is sub investment grade and 91% is rated BBB+ or higher

Other exposures

- Supra-national - €1.3bn
- Belgium - €0.7bn
- Spain - €0.6bn
- Sweden - €0.5bn
- Netherlands - €0.4bn
- Canada - €0.3bn
- Italy - €0.3bn
- Norway - €0.3bn
- Other - €0.6bn (all less than €0.15bn)

Capital

CET1 ratios

	Transitional ratio (€bn)	Fully loaded ratio (€bn)
Total equity	**9.4**	**9.4**
Less Additional Tier 1	(0.8)	(0.8)
Deferred tax[1]	(0.2)	(1.2)
Pension deficit	0.2	-
Available for sale reserve[2]	(0.1)	-
National filters	(0.1)	-
Intangible assets and goodwill	(0.6)	(0.6)
Other items[3]	(0.6)	(0.6)
Common Equity Tier 1 Capital	**7.2**	**6.2**
Credit RWA	42.5	42.5
Operational RWA	4.6	4.6
Market, CVA and other RWA[4]	3.7	3.6
Total RWA	**50.8**	**50.7**
Common Equity Tier 1 ratio	**14.2%**	**12.3%**

CRD-IV phasing impacts

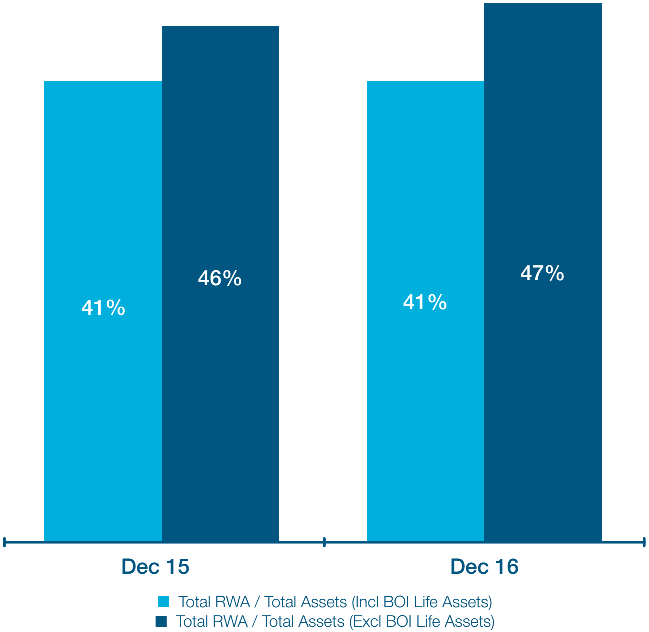
- Deferred tax asset – certain DTAs are deducted at a rate of 20% for 2016, increasing annually at a rate of 10% thereafter
- Pension deficit – addback is phased out at 60% in 2016, increasing by 20% per annum thereafter
- Available for sale reserve – unrealised losses and gains are phased in at 60% in 2016, increasing by 20% per annum thereafter
- The pro-forma CET1 ratio at 1 January 2017 is estimated at 14.0%, reflecting the phasing in of CRD IV deductions for 2017

[1]Deferred tax assets due to temporary differences are included in other RWA with a 250% risk weighting applied
[2]The Group previously opted to maintain its filter on both unrealised gains or losses on exposures to central governments classified in the 'available for sale' category. In accordance with ECB regulation 2016/445 on the exercise of options and discretions, this filter was removed from 1 October 2016. The reserve is recognised in capital under fully loaded CRD IV rules
[3]Other items – the principle items being the cash flow hedge reserve, expected loss deduction, securitisation deduction and 10%/15% threshold deduction
[4]Other RWA includes RWA relating to non-credit obligations / other assets and RWA arising from the 10/15% threshold deduction

Risk weighted assets (RWA)

Bank of Ireland Group

RWA Density[1]



Customer lending Avg. Credit Risk Weights[2/3]

(Based on regulatory exposure class)

	EAD[4] (€bn)	RWA (€bn)	Avg. Risk Weight
ROI mortgages	24.8	8.4	34%
UK mortgages	23.2	4.6	20%
SME	18.0	13.1	73%
Corporate	11.2	11.7	105%
Other Retail	4.6	2.9	63%
Total customer lending	**81.8**	**40.7**	**50%**

- Average risk weight on ROI mortgage portfolio increased to 34% (Dec 15: 27%) following IRB model approach changes in December 2016
- Average risk weight on SME increased to 73% (Dec 15: 70%) and Corporate increased to 105% (Dec 15: 101%). This reflects the impact of the credit risk transfer of €2.9bn of SME / Corporate loans in December 2016 at below average risk weights[3]
- IRB approach accounts for:
  - 77% of credit EAD (Dec 2015: 75%)
  - 82% of credit RWA (Dec 2015: 81%)

[1]RWA density calculated as Total RWA / Total balance sheet assets
[2]Sourced from the Group's Pillar III disclosures. EAD and RWA include both IRB and Standardised approaches and comprises both non-defaulted and defaulted loans. Some Standardised exposure classes per the Pillar III have been reclassified to align with the categories outlined in the table
[3]Securitised exposures which include the credit risk transfer transaction executed in December 2016 are excluded from the above table
[4]Exposure at default (EAD) is a regulatory estimate of credit risk consisting of both on balance exposures and off balance sheet commitments

Ordinary stockholders' equity and TNAV

Bank of Ireland Group

Movement in ordinary stockholders' equity

	2015 (€m)	2016 (€m)
Ordinary stockholders' equity at beginning of period	**7,392**	**8,308**
Movements:		
Profit attributable to stockholders	940	793
Distribution on other equity instruments – additional tier 1 coupon	-	(73)
Dividends on preference stock	(257)	(8)
Available for sale (AFS) reserve movements	(81)	(169)
Remeasurement of the net defined benefit pension liability	91	167
Foreign exchange movements	255	(419)
Cash flow hedge reserve movement	(45)	(4)
Other movements	13	2
Ordinary stockholders' equity at end of period	**8,308**	**8,597**

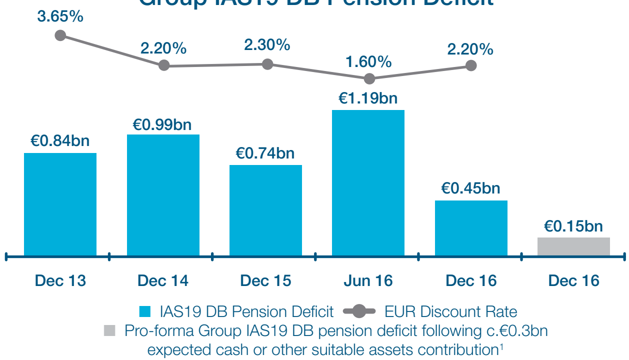
Tangible net asset value

	Dec 15 (€m)	Dec 16 (€m)
Ordinary stockholders' equity at end of period	**8,308**	**8,597**
Adjustments:		
Intangible assets and goodwill	(509)	(625)
Own stock held for benefit of life assurance policyholders	11	11
Tangible net asset value (TNAV)	**7,810**	**7,983**
Number of ordinary shares in issue at the end of the period	**32,363**	**32,363**
TNAV per share (€ cent)	**24.1c**	**24.7c**

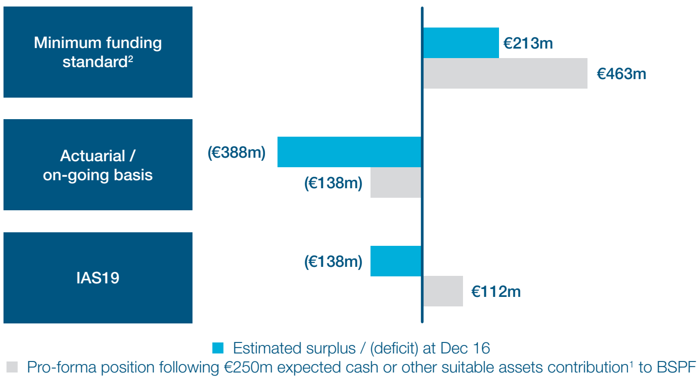
Defined Benefit Pension Schemes

Bank of Ireland Group

Group IAS19 DB Pension Deficit



BSPF Surplus / Deficit under Relevant Bases Dec 16



- IAS19 requires that the rate used to discount DB pension liabilities be selected by reference to market yields on high quality corporate bonds with a corresponding duration. However, only a small number of such AA Euro corporate bonds exist at the c.21 year duration and those bonds tend to be relatively illiquid
- Group IAS19 DB pension deficit of €0.45bn at Dec 16 (€0.74bn at Dec 15)
- Primary drivers of the movement in deficit were;
  - Positive asset returns. The BSPF[3] assets returned +7.7%
  - c.€100m of additional deficit reducing contributions
  - Long term ROI inflation rate expectation decreasing from 1.6% to 1.55%, offset by
  - Euro and UK AA discount rates decreased from 2.3% to 2.2% and 3.8% to 2.55% respectively
  - Long term UK RPI inflation rate expectation increasing from 3.3% to 3.4%
- The Pension Review programmes of 2010 and 2013 resulted in significant restructurings of scheme benefits, which were accepted by staff and unions through individual member consent;
  - In return for the liability reduction achieved through these programmes, the Group agreed to increase its support for the schemes by making matching contributions
  - There remains a further c.€300m of asset contributions expected to be made between 2017 and 2020, these contributions have no impact on Fully Loaded CET1
  - Allowing for the remaining asset contributions, the overall Group IAS 19 deficit would have been c.€0.15bn at Dec 16
- In addition to the IAS19 accounting valuation, the funding position of the main BSPF scheme is also shown under the Minimum Funding Standard basis and the Actuarial / on-going basis

[1]Does not impact Fully Loaded CET1 ratios
[2]The MFS surplus includes the new 2016 Pension Authority requirement to hold additional Risk Reserves
[3]BSPF (Bank Staff Pensions Fund) represents approx. 75% of the overall Group DB liabilities

Defined Benefit Pension Schemes

Bank of Ireland Group

- The Group has developed a framework for pension funding and investment decision-making as part of its long-term plan
- Management of the Group's sponsored DB pensions position involves a multi-year programme, categorised into 3 broad areas. Activity in these areas includes:

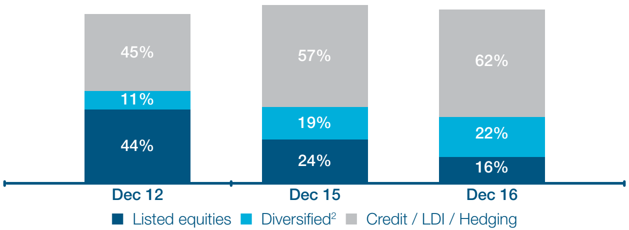
1 Reduce Liabilities
- 2007 DB Pension Schemes closed to new members and hybrid scheme introduced
- Pensions Review 2010 and 2013 - shared solutions with DB members - successfully executed and extended to smaller schemes in 2014 and 2015
- A Defined Contribution ('DC') scheme was introduced in 2014 for new hires and the existing hybrid scheme closed to new members
- An enhanced transfer value exercise completed for BSPF scheme in H2 2016 which will result in a reduction in liabilities of c.€92m and a reduction in the IAS19 deficit of c.€4m

2 Increase Assets
- >€850m of asset contributions made since 2010; further c.€300m expected to be made across Group DB schemes between 2017 and 2020
- BSPF asset returns of c.9.6% p.a. were achieved over 3 years to end Dec 16 despite market volatility

3 Improve correlation between assets and liabilities
- Group has continued to support Trustees in diversifying asset portfolios away from listed equity into other return-seeking but potentially less volatile asset classes e.g. increased allocation to private equity, infrastructure and commercial real estate
- Group supported the trustees of BSPF scheme in their decision to extend the level of euro and sterling interest rate and inflation hedging to 60% of assets (completed in Q3 2016) and supported a further proposal to increase euro interest rate and inflation hedging to 75% in Dec 16 (completed in Feb 17)
- Group has also supported the Trustees of the BOI Group UK scheme in their decision to extend the level of interest rate and inflation hedging to 60% (completed during 2016)

- Continuing programme to further match asset allocation with the evolving nature and duration of liabilities

Mix of BSPF DB Pension Scheme Assets (%)[1]



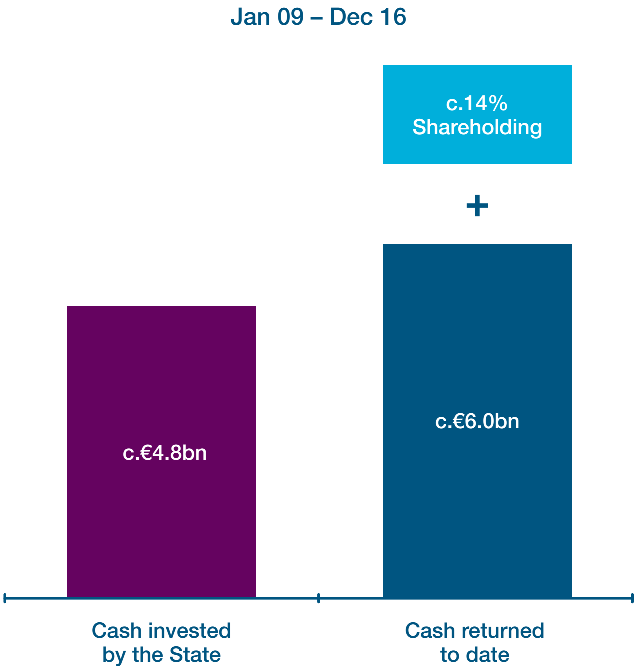
Estimated Group Asset, Liability & Deficit Sensitivities[3]

(post implementation of increased interest rate and inflation hedging in Feb 17)

	Dec 15	Feb 17
Sensitivity of Group deficit (net assets and liabilities) to a 0.25% decrease in interest rates	€281m	€132m
Sensitivity of IAS19 liabilities to a 0.10% decrease in long term inflation	(€100m)	(€100m)
Sensitivity of assets to a 5% fall in global equity markets with allowance for other correlated diversified asset classes	(€128m)	(€124m)

[1]Graphs shows BSPF asset allocation
[2]Diversified category includes infrastructure, private equity, hedge funds and property
[3]The table only shows the estimated impact of individual assumption changes

Reimbursing and rewarding taxpayers support



- From 2009 - 2011, c.€4.8bn cash invested by the State
  - Cumulative c.€6bn cash returned to the State
  - State continues to hold valuable c.14% equity shareholding
- State Aid completely repaid in 2013
- Irish State's risk exposure to Group liabilities covered under the Eligible Liabilities Guarantee eliminated
- In 2016, the Group paid taxes of €263m to the Irish State and collected taxes of €858m on behalf of the Irish State

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Forward-Looking statement

Bank of Ireland Group

This document contains certain forward-looking statements with respect to certain of the Bank of Ireland Group's (the '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, 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, 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 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. Such risks and uncertainties include, but are not limited to, the following:

- geopolitical risks which could potentially adversely impact the markets in which the Group operates;
- uncertainty following the UK vote to exit the EU as to the nature, timing and impact of a UK exit, could impact the markets in which the Group operates including pricing, partner appetite, customer confidence and demand, and customers' ability to meet their financial obligations and consequently the Group's financial performance, balance sheet, capital and dividend capacity;
- concerns on sovereign debt and financial uncertainties in the EU and the potential effects of those uncertainties on the financial services industry and on the Group;
- general and sector specific economic conditions in Ireland, the United Kingdom and the other markets in which the Group operates;
- the ability of the Group to generate additional liquidity and capital as required;
- property market conditions in Ireland and the United Kingdom;
- the potential exposure of the Group to credit risk and to various types of market risks, such as interest rate risk and foreign exchange rate risk;
- the impact on lending and other activity arising from the emerging macro prudential policies;
- the performance and volatility of international capital markets;
- the Group's ability to address weaknesses or failures in its internal processes and procedures including information technology issues, cyber-crime risk, equipment failures and other operational risk;
- the effects of the Irish Government's stockholding in the Group (through the Ireland Strategic Investment Fund) and possible changes in the level of such stockholding;
- changes in applicable laws, regulations and taxes in jurisdictions in which the Group operates particularly banking regulation by the Irish and United Kingdom Governments together with the operation of the Single Supervisory Mechanism and the Single Resolution Mechanism;
- the impact of the continuing implementation of significant regulatory and accounting developments such as Basel III, Capital Requirements Directive (CRD) IV, Solvency II, the Recovery and Resolution Directive and IFRS 9;
- the potential impact of certain ECB initiatives including its thematic review of internal models termed Targeted Review of Internal Models (TRIM);
- the exercise by regulators of powers of regulation and oversight in Ireland and the United Kingdom;
- the exposure of the Group to conduct risk such as staff members conducting business in an inappropriate or negligent manner;
- the introduction of new government policies or the amendment of existing policies in Ireland or the United Kingdom;
- the outcome of any legal claims brought against the Group by third parties or legal or regulatory proceedings more generally, that may have implications for the Group;
- the development and implementation of the Group's strategy, including the Group's ability to achieve its targets and ambitions on net interest margins and total operating expenses;
- the inherent risk within the Group's life assurance business involving claims, as well as market conditions generally;
- potential further contributions to the Group sponsored pension schemes if the value of pension fund assets is not sufficient to cover potential obligations;
- the Group's ability to meet customers' expectations in mobile, social, analytics and cloud technologies which have enabled a new breed of 'digital first' propositions, business models and competitors;
- failure to establish availability of future taxable profits, or a legislative change in quantum of deferred tax assets currently recognised; and
- difficulties in recruiting and retaining appropriate numbers and calibre of staff.

Nothing in this document should be considered to be a forecast of future profitability or financial position and none of the information in this document is or is intended to be a profit 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.