Bank of Ireland Credit Presentation

February 2016

Bank of Ireland

For small steps, for big steps, for life

Bank of Ireland Overview

Bank of Ireland Overview

Bank of Ireland Group

Strong Operating Performance

	2014	2015
Total Income	€2,974m	€3,272m
Net Interest Margin (NIM)	2.11%	2.19%
Operating expenses Regulatory costs	(€1,601m) (€72m)	(€1,746m) (€75m)
Impairments: Customer loans NAMA bonds	 (€542m) €70m	 (€296m) -
Underlying profit before tax	**€921m**	**€1,201m**

Robust balance sheet metrics

	Dec 14	Dec 15
Customer loans (net)	€82.1bn	€84.7bn
Non-performing loans	€15.8bn	€12.0bn
CET1 ratios: Transitional Fully Loaded	 11.8%[1] 9.3%	 13.3% 11.3%
Transitional total capital ratio	15.2%[1]	18.0%
Liquidity metrics: NSFR LCR LDR	114% 103% 110%	120% 108% 106%

- Underlying profit of €1,201m in 2015; 30% improvement over 2014
- NIM improved by 8 bps to 2.19%
- All trading divisions contributing to the Group's profitability
- Increased new lending by 42% over 2014
  - Largest lender to the Irish economy
  - UK mortgage lending of £3.3bn (£1.8bn 2014)
- Reduced non-performing loans by €3.8bn in 2015 to €12.0bn
- Organic capital accretion continued in 2015; 200bps increase in fully loaded CET1
  - Transitional CET1 ratio of 13.3%, fully loaded CET1 ratio of 11.3% and Total capital ratio of 18.0% at Dec 2015
- Now restored to Investment Grade by Moody's, Standard & Poor's and Fitch

[1] Transitional CET1 ratio of 11.8% and Total capital ratio of 15.2% are the pro-forma ratios as at 1 Jan 2015, taking account of the de-recognition of the 2009 Prefs and allowing for the impact of CRD IV phasing in 2015.

Bank of Ireland Franchises

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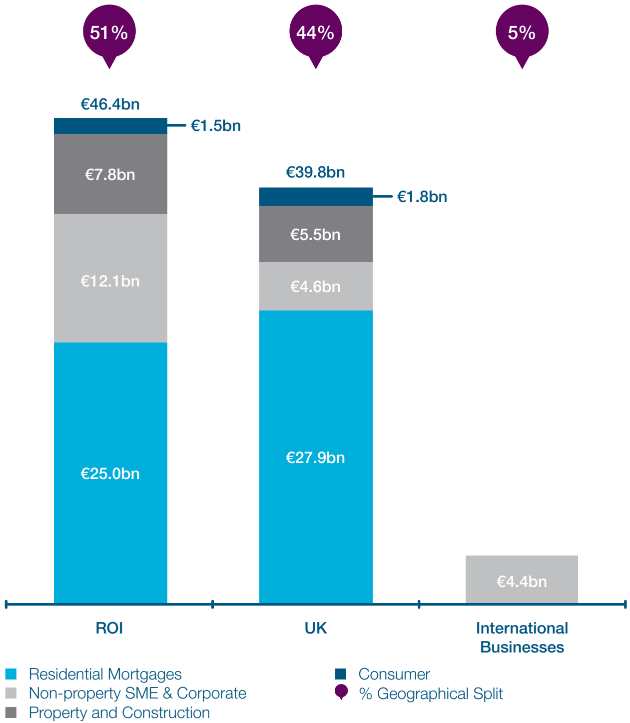
Customer Loans[1]



[1] Gross loans and advances to customers at 31 Dec 2015 of €90.6bn

ROI – Leading bank in a growing economy

- Largest lender to the Irish economy in 2015
- Full service retail/commercial bank with #1 or #2 positions across all principal product lines
- # 1 Business and Corporate Bank
- Ireland's only bancassurer, 23% share of life assurance market

UK – A leading consumer bank

- Exclusive financial services partner of UK Post Office; Legal & General and other partnerships also in place
- 2015 announcement of long term AA partnership complementary to Post Office partnership
- Full service retail bank in Northern Ireland

International Business – Acquisition finance business

- Generates attractive margins and fee income within disciplined risk appetite
- US/European business
- Focused on mid-market transactions
- Strong 20+ year track record

Financial Performance

Net interest income

4% growth in net interest income in 2015

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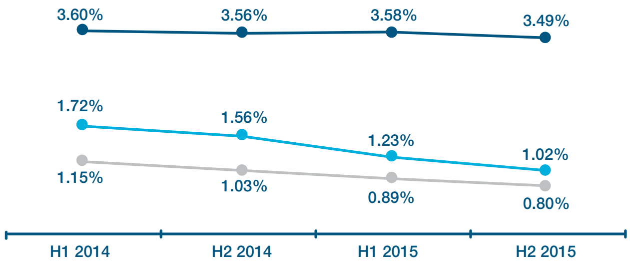
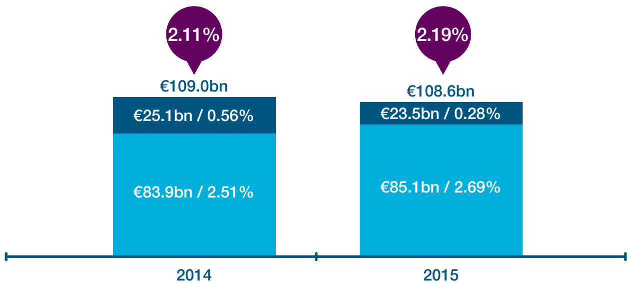
Net interest margin drivers



H1 2014	H2 2014	H1 2015	H2 2015
0.30%	0.12%	0.02%	(0.06%)
0.24%	0.09%	0.05%	0.05%

Loan Asset Yield, Liquid Asset Yield, Cost of Funds
Average 3 month Euribor in period, Average ECB Repo rate in period

NIM and average interest earning assets



2015 performance

- Net interest income of €2,454m, up €96m (4%) vs 2014 (€2,358m) reflecting NIM growth of 8bps (4%) offset by a slight reduction in average interest earning assets (AIEAs); FX impact of c.€70m
- Full Year 2015 NIM improved to 2.19% reflecting
  - Lower funding costs
  - Broadly stable loan asset yields, notwithstanding lower Euribor and ECB rates; and
  - Lower liquid asset yields following bond sales / maturities
- Loan asset spread[1] increased by 18bps to 2.69%. Liquid asset spread[1] fell 28bps to 0.28% reflecting bond sales and lower returns on replacement assets

Outlook

- Expect 2016 NIM to be broadly in line with H2 2015 level of 2.17%
  - H1 2016 – expect NIM to fall modestly from H2 2015 level due to bond sales taking place in early 2016
  - H2 2016 – growth following repayment of €1bn CoCo and as new lending continues to positively impact
- Confidence in medium term revenue momentum as higher yielding loan books return to growth

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

Loan book grew in 2015

Core loan books up €3.9bn

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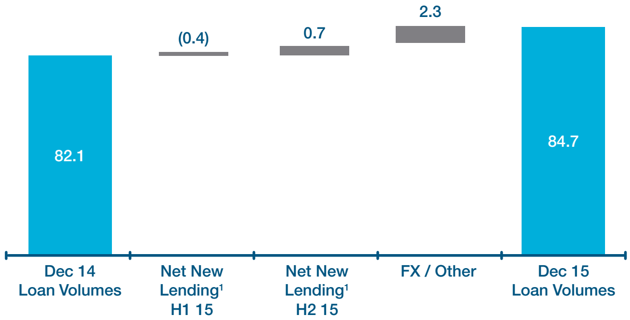
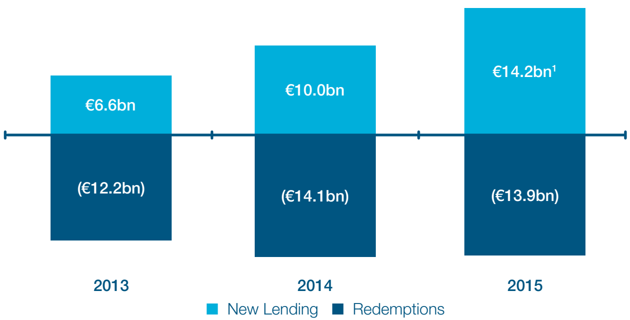
Group loan book movement



New lending / redemption volumes



- Loan book grew in 2015 with new loans exceeding redemptions by €0.7bn in the second half of 2015
- New loan volumes of €14.2bn[1]
  - Up 42% vs. 2014 with strong performance across all businesses
  - More than doubled vs. 2013 levels
- Group redemptions of c.€13.9bn broadly flat vs. 2014
  - Include cash payments on defaulted loan redemptions / sales €1.7bn, ROI tracker redemptions of €1.1bn and GB non-core business banking book redemptions of €0.8bn
- Core loan books grew by €3.9bn in 2015
- Confident of further progress in 2016 and beyond

[1] Includes €0.6bn in respect of IBRC mortgages, Danske SME portfolio and Lloyds commercial portfolio acquisitions completed during 2015

Asset Quality

Non-performing loans and impairment charge

Significant reduction in non-performing loans and impairment charge

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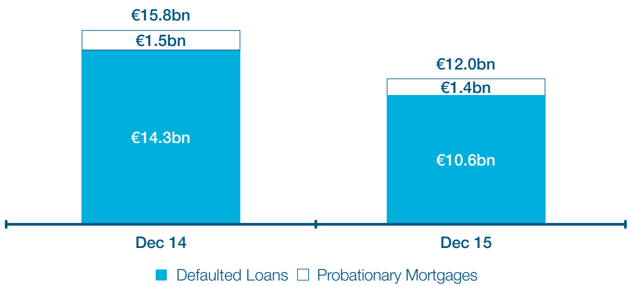
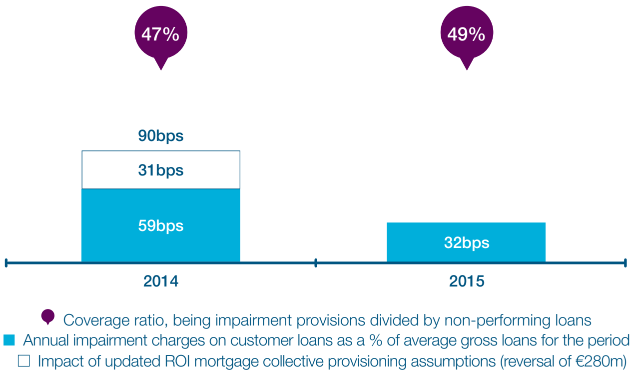
Non-performing loan volumes



Impairment charge on customer loans



Non-performing loan volumes[1] – €12.0bn

- €3.8bn reduction during 2015
- Reductions in all asset classes
- Defaulted loans component of €10.6bn; down 42% from peak in June 2013
- Expanded risk disclosure for mortgage loans – additional information provided on probationary mortgages[2] alongside traditional defaulted / non defaulted information
- Expect further reductions in 2016 and beyond; pace influenced by a range of factors

Impairment charge on customer loans

- Charge of 32bps for 2015 vs 90bps[3] in 2014
- Reduced charge across all loan portfolios
- Expect 2016 impairment charge to remain at broadly similar levels
- Coverage ratio of 49% (47% at Dec 14)

[1] Non-performing loans comprise defaulted loans plus probationary mortgages
[2] Probationary mortgages are 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
[3] The loan impairment charge of €542m / 59bps in 2014 reflected an underlying charge of €822m / 90bps partly offset by the impact of updating certain ROI mortgage collective provisioning assumptions amounting to €280m

ROI Mortgages: €25.0bn

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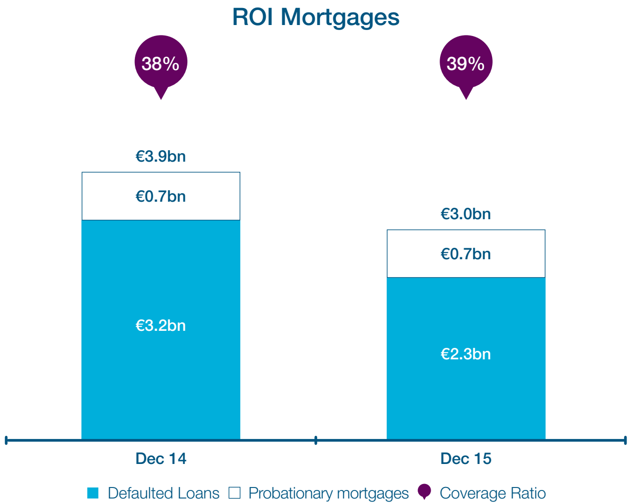


Portfolio Performance

- Reduced NPLs by €0.9bn or 22% to €3.0bn in 2015
- Defaulted loans component of €2.3bn; down 40% since June 2013 peak
- Track record of probationary mortgages returning to performing status
- €22.7bn or 91% of mortgages at Dec 15 are on a capital and interest repayment basis (Dec 14: 89%)
- Impairment credit of €84m reflects ongoing improvement in portfolio performance
- Coverage ratio of 39% (Dec 14: 38%)

Industry Comparison

- BOI OO arrears at 43% of industry level[2] (Dec 14: 47%); BOI BTL arrears at 56% of industry level[3] (Dec 14: 61%)
- BOI OO arrears >720 days reducing and at 37% of industry level[4] (Dec 14: 43%); BOI BTL arrears >720 days reducing and at 43% of industry level[5] (Dec 14: 47%)

[1] Non-performing loans comprise 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 2015, BOI owner occupier arrears level (based on number of accounts >90 days in arrears) was 4.27% compared to 9.98% for industry excl BOI
[3] At September 2015, BOI buy to let arrears level (based on number of accounts >90 days in arrears) was 11.15% compared to 20.09% for industry excl BOI
[4] At September 2015, BOI owner occupier arrears (based on number of accounts >720 days in arrears) was 2.15% compared to 5.75% for industry excl BOI
[5] At September 2015, BOI buy to let arrears (based on number of accounts >720 days in arrears) was 5.46% compared to 12.74% for industry excl BOI

Funding & Capital

Funding Update

Bank of Ireland Group

	2014 (€m)	2015 (€m)
Customer Deposits	**75**	**80**
Retail Ireland	*37*	*39*
Retail UK	*26*	*29*
Corporate	*12*	*12*
Wholesale Funding	**20**	**14**
Private Markets	*16*	*13*
Monetary Authority	*4*	*1*
Liquidity Metrics *NSFR*	114%	120%
LCR	103%	108%
LDR	110%	106%

Credit Ratings of BOI Debt Securities

Rating Agencies	Senior unsecured	Covered Bond
Moody's	Baa2 Outlook Positive	Aa1
Standard & Poor's	BBB- Outlook Positive	N/A
DBRS	N/A	AA (low)

As at Feb 2016

Customer deposits - €80bn at Dec 15

- Funding >90% of customer loans
- Diversified stable source of deposit funding
  - ROI €39bn, UK €29bn (£22bn) and Corporate €12bn
- Predominantly retail customer oriented

Wholesale funding - €14bn

- Continuing to access wholesale markets at economic costs
  - c.€3.7bn funding issuance during 2015, of which c.€0.5bn was in private placement format
- Repaid €3bn of ECB funding during 2015

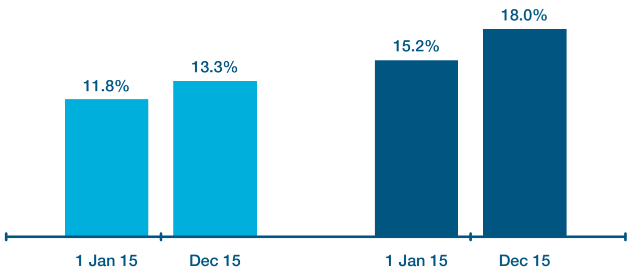
Wholesale funding - €14bn

- Upgrade of senior debt rating to Investment Grade by Moody's, S&P and Fitch
- Strong covered bond credit ratings; Moody's upgrade to Aa1 in May 15 and DBRS upgrade to AA (low) in Oct 15

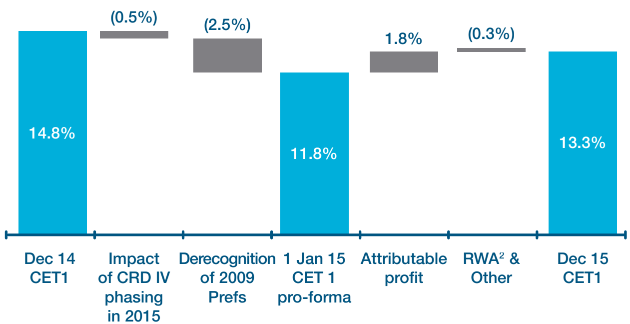
Capital

Further strong capital accretion facilitated 2009 Prefs redemption

Transitional CET1 ratio[1] **Total capital ratio[1]**



Transitional CET1 ratio movement

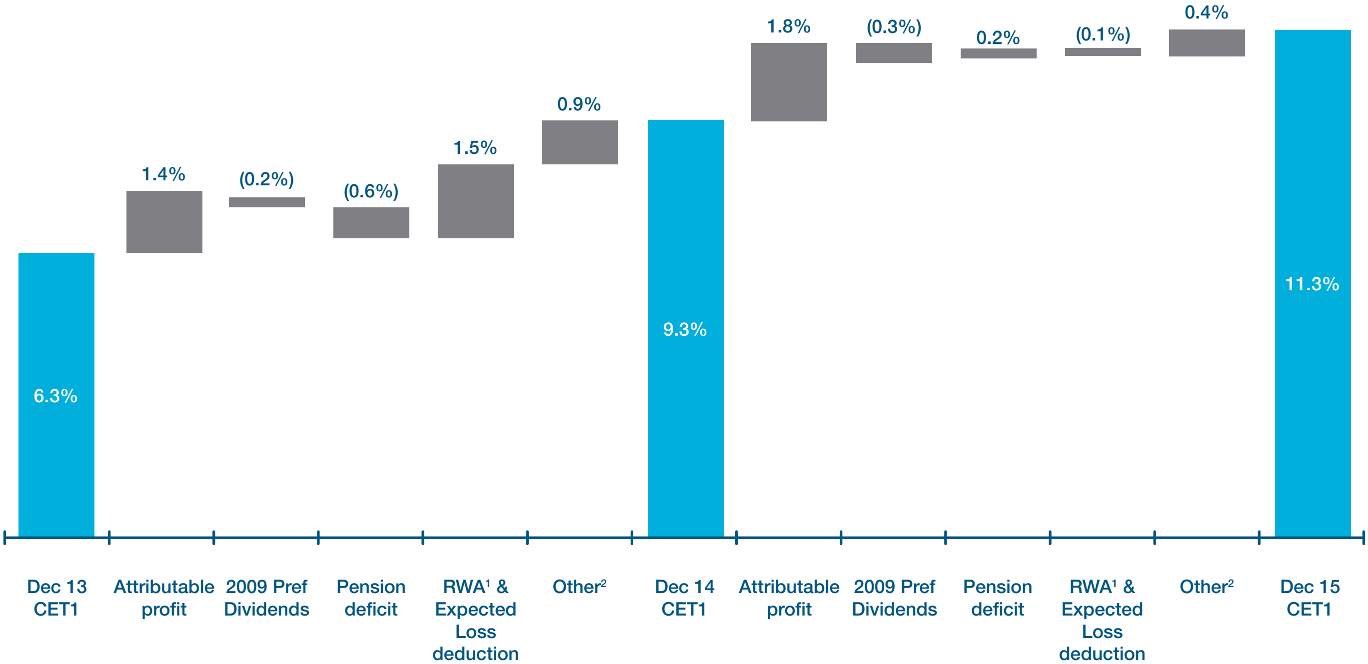


- Further significant organic capital accretion in 2015
  - 200bps increase in Fully loaded CET1 ratio
  - 150bps increase in Transitional CET1 ratio
- Robust capital ratios
  - Fully loaded CET1 ratio of 11.3%
  - Transitional CET1 ratio of 13.3%
  - Transitional Total Capital ratio of 18.0%; increase reflects CET1 build and €750m AT1 issue in Jun 15
  - RWA density of 41%[3] (46% excluding BOI Life assets)
- Transitional leverage ratio of 6.6%; Fully loaded leverage ratio of 5.7%
- Strong capital performance supported redemption of 2009 Prefs in Jan 2016, at the earliest possible opportunity

[1] Transitional CET1 ratio of 11.8% and Total capital ratio of 15.2% are the pro-forma ratios as at 1 Jan 2015, taking account of the de-recognition of the 2009 Prefs and allowing for impact of CRD IV phasing in 2015
[2] RWA movement is shown on a constant currency basis
[3] RWA density calculated as Total RWAs / total balance sheet assets as at Dec 2015

Fully Loaded CET1 ratio – capital build

Increased by 500bps in past 2 years



[1] RWA movement is shown on a constant currency basis

[2] Other consists primarily of the 10%/15% threshold deduction, deferred tax assets and AFS reserve

Capital Guidance and Distribution policy

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Minimum Regulatory Capital Requirements	▶ SSM CET1 SREP[1] requirement for 2016 of 10.25%, calculated on a transitional basis ▶ O-SII buffer[1] will be phased in at 0.5% from July 2019, 1.0% from July 2020 and 1.5% from July 2021
Capital Guidance	▶ Expect to maintain sufficient capital to meet, at a minimum, applicable regulatory capital requirements plus an appropriate management buffer of 100-150bps
Distribution Policy updated	▶ Aim is to have a sustainable dividend ▶ Ambition to recommence at a modest level in H1 2017 in respect of financial year 2016 ▶ Prudently and progressively building, over time, to a payout ratio of around 50% of sustainable earnings ▶ Dividend level and rate of progression will reflect, amongst other things ▶ Strength of the Group's capital and capital generation; ▶ Board's assessment of growth and investment opportunities available; ▶ Any capital the Group retains to cover uncertainties; and ▶ Any impact from the evolving regulatory / accounting environments

[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

Irish Economy Overview

Favourable macroeconomic environment and outlook

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Growing

- Fastest growing economy in Europe for second year running in 2015
- GDP increased by 7.0% year-on-year in Q3 2015
- Growth of 6.8% forecast for 2015, 5.0% in 2016 & 4.0% in 2017
- Increasing activity supporting employment & incomes

Broadening activity

- Domestic demand is growing and contributing positively
- Year-on-year gains in exports, investment and consumer spending
- Annual growth in all sectors – agriculture, industry and services – in Q3 2015

Attractive

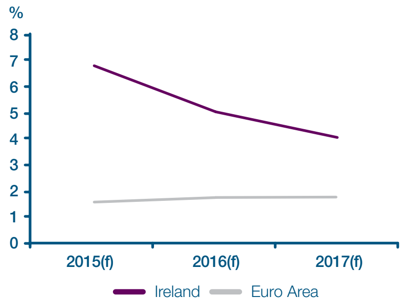
- Flexible, small open economy
- Globalised and competitive
- Leading FDI hub with young educated workforce
- Domestic economy strengthening
- Unemployment rate falling

Sources: BOI Economic Research Unit, Central Statistics Office

GDP
2015f: 6.8%
2016f: 5.0%
2017f: 4.0%

Level of real GDP now back above 2007 peak

Ireland leading the way



Graph shows annual real GDP growth
Source: CSO, Eurostat; Forecasts: Ireland: BoI ERU, Euro area: IMF

Strong export performance

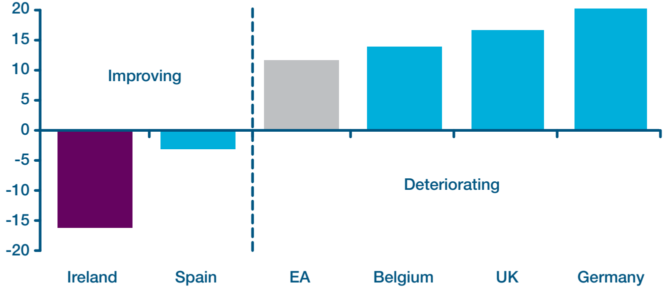
Supported by trading partner growth and competitiveness gains

Highly open economy – exports at record high and > 100% of GDP

Potential headwinds include uncertainty about the global economy and sterling outlook

Exports
2015f: 12.5%
2016f: 8.0%
2017f: 6.0%

Competitiveness



Graph shows change in unit labour costs 2009-2017.Source: EU Commission

Investment gaining ground

Underpinned by strengthening demand and high level of sentiment

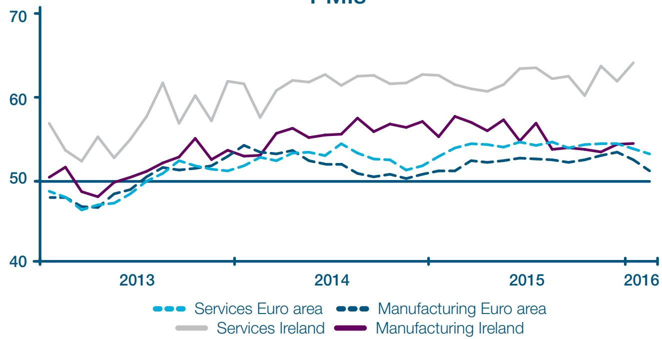
FDI investments up 8.1% year-on-year in 2015, SME trading environment improving

Construction picking up from a low base; potential to rise further to meet housing demand

House completions up 15% year-on-year in 2015

Investment
2015f: 24.0%
2016f: 12.0%
2017f: 7.5%

PMIs



Graph shows PMI indices. Source: Markit

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Employment rising

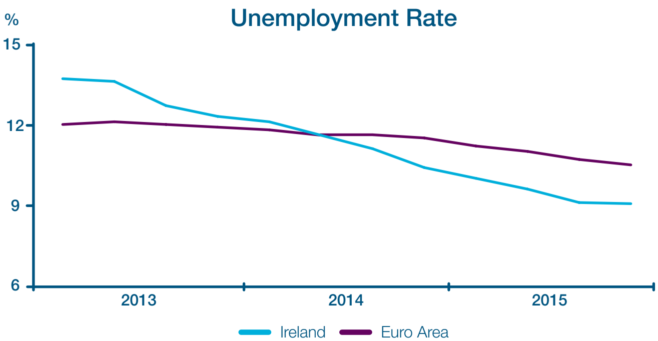
c. 50,000 new jobs per annum, gains broadening out across sectors and regions

Unemployment rate well below euro area average, down to 8.9% from a peak of c.15%

Rate projected to fall to under 8% by end 2016

Young educated workforce – youngest population in Euro Area

Employment
2015: 2.6%
2016f: 2.5%
2017f: 2.2%



Graph shows seasonally adjusted unemployment rate by quarter. Source: CSO, Eurostat

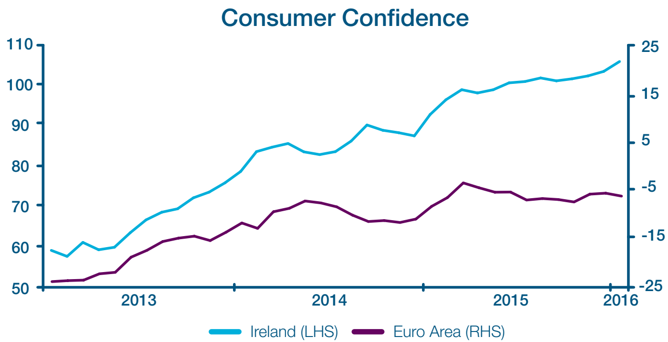
Consumer spending increasing

Core retail sales rose 6.2% year-on-year in 2015, new car sales up 31.1% last year, (January 2016 sales up 34.8%)

High consumer confidence, rising employment & incomes and low inflation are supporting spending

Consumption growth to continue, albeit deleveraging a headwind

Consumer Spending
2015f: 3.5%
2016f: 3.4%
2017f: 3.0%



Graph shows consumer confidence indices for Ireland (3m MA) and Euro Area.
Source: ESRI, EU Commission

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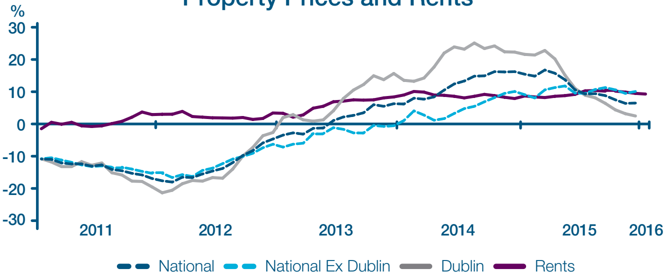
Property market recovering

- Residential and commercial activity improving
- Residential transactions up c.10.8% Y-o-Y in 2015 (cash purchases c.50% of market)
- Value of mortgages up 26% year-on-year in 2015; cost of servicing average 25 year mortgage < 30% of gross income versus peak of c. 45%
- Prices outside of Dublin rising faster than the capital
- Completions up 15% in 2015 to 12,666, still well below estimated demand of c.25,000 per annum

Property Prices and Rents



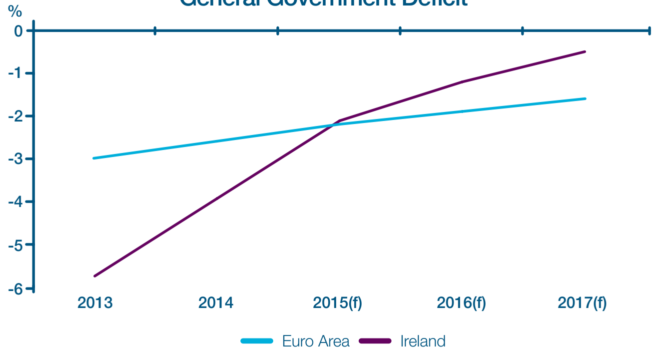
Graph shows year-on-year change in residential property prices and private rents
Source: CSO

Graph shows year-on-year change Q4 2015.
Source: IPD

Public finances improving

- Budget 2016 package injects €1.5bn into economy
- Deficit may better official estimates of 2.1% of GDP in 2015 and 1.2% of GDP in 2016
- Debt to GDP ratio under 100% now and expected to fall to Euro area average by end of 2016
- Ireland is fully engaged in debt markets, sovereign yields at low levels (approaching semi-core, well below peripherals), rating upgraded

General Government Deficit



Graph shows general Government deficit as a % of GDP.
Source: Department of Finance Budget 2016 and EU Commission Winter Forecasts.

Covered Bond Overview

Overview of Irish Mortgage Market

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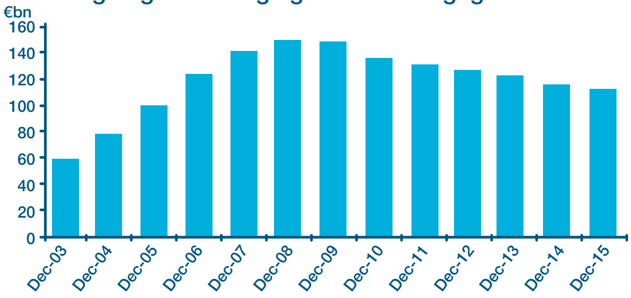
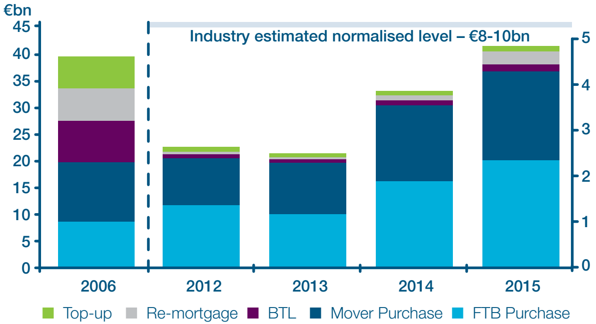
Ongoing deleveraging in Irish Mortgage Market



Source: CBI

Modest pick up in mortgage drawdowns from low base



2006 (LHS) 2012-2015 (RHS)

Source: BPFI

Structure of Irish Mortgage Market

- Size of Irish mortgage market reduced c.25% from 2009 peak (c.€111bn Dec 2015)
- Predominantly principal and interest structured market

New lending

- Total new mortgage lending of c.€4.9bn in 2015, 26% increase vs 2014
- Increase largely driven by First Time Buyer and Mover Purchaser
- Average loan value for 2015 €177,505 vs €172,981 in 2014

Macro prudential rules

- Jan 2015, CBI introduced LTV and LTI limits for Principal Dwelling House (PDH) and Buy to Let (BTL) Mortgages
- LTV limits[1]
  - PDH for non-first time buyer: 80% limit
  - PDH for first time buyers: 90% up to €220k, 80% on any excess value over €220k
  - BTL: 70% limit
- LTI at 3.5 times loan to gross income for PDH mortgages[2]

[1] The total value of new lending for PDH purposes above these limits should be no more than 15 per cent of the euro value of all housing for PDH purposes (10% non-PDH) entered into by a lender in an annual period.

[2] This limit should be exceeded by no more than 20% of the total aggregate monetary amount of loans for PDH purposes. BTL mortgages are exempt from the LTI limit.

Bank of Ireland ROI Mortgage Offering

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Market share and margins

	H1-15	H2-15
New Lending Volumes[1]	€0.5bn	€0.9bn
Market share	26%	31%

- Fixed rate mortgage being chosen by c.7 in 10 new owner occupier customers
- 8 out of 10 customers applying for a mortgage to Bank of Ireland were approved
- New lending volumes of €1.4bn in 2015, up from €1.25bn in 2014
- Maintaining margins – continuing to be commercially disciplined
- c. 31% share of new business in H2, up from 26% in H1

Origination strategy and channels

Channels

Branch Upgrades

Personal Customers

Reducing time with online

- 72% of Mortgages originated through network of c.250 branches across ROI (84% 2014) with non-branch drawdowns increasing to 28% (16% 2014)
- Online loan approval <24hrs; 40% reduction in Mortgage Drawdown time
- c.15% of applications are originated through Direct Sales team and Mobile Mortgage Manager Team
- Do not originate mortgages via third parties or brokers, thereby avoiding broker commissions
- Continue to make banking more accessible, simpler and safer

[1] Excludes €0.2bn in respect of IRBC mortgages portfolio acquisitions completed during H1 2015

Mortgage Underwriting Process

Centralised Underwriting in-place, no delegated discretions

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 if branch application ▶ Standard application contains information on financing of loan and information on applicants assets and liabilities
Step 2	▶ Auto calls made to Credit Bureau and risk models ▶ Underwriting receives online application with Bureau and risk model output ▶ Assessment of credit and regulatory requirements
Step 3	▶ Credit decision is made ▶ Max LTV 80% for owner occupier (CBoI regulation compliant), buy to let 50% to 70% ▶ Appeals process in place for declined applications
Step 4	▶ Mortgage Approval – stipulate T&Cs and send document requirements to applicant ▶ Send formal letter of offer

Bank of Ireland Mortgage Bank ACS

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Table 1 Cover Pool Summary	Mar-15	Jun-15	Sep-15	Dec-15
Total property valuation (bn)	€21.4	€21.5	€22.0	€22.3
Aggregate balances of the mortgages (bn)	€12.0	€11.7	€11.5	€11.2
Weighted average indexed LTV	81.9%	79.8%	76.4%	73.7%
% of accounts in arrears (≥ 3 months)	0.00%	0.01%	0.00%	0.01%

Table 2 Bond Summary	Mar-15	Jun-15	Sep-15	Dec-15
Value of bonds (bn)	€9.8	€8.8	€8.7	€7.4
Nominal overcollateralisation	38%	48%	47%	68%
Prudent market value of mortgages (bn)	€10.3	€10.2	€10.1	€10.1
Qualified substitution assets (bn)	€1.5	€1.3	€1.3	€1.1
Prudent market value of cover pool (bn)	€11.7	€11.5	€11.5	€11.2
Legislative overcollateralisation	20%	30%	32%	52%

Key Features of Bank of Ireland Mortgage Bank ACS

- 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) - 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

Strengths of Irish ACS Legislation

Key Legislative Features of Irish ACS

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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 Residencial 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)

Additional Information

Additional Information

Bank of Ireland Group

Group Income Statement

Improved Underlying PBT by €280m or 30%

Bank of Ireland Group

	2014 (€m)	2015 (€m)
Total income	2,974	3,272
Net interest income	*2,358*	*2,454*
Other income (net)	*653*	*828*
ELG fees	*(37)*	*(10)*
Operating expenses	(1,601)	(1,746)
Regulatory charges	(72)	(75)
Operating profit pre-impairment	1,301	1,451
Impairment charge	(472)	(296)
Customer loans	*(542)*	*(296)*
NAMA bonds	*70*	*-*
Share of associates / JVs	92	46
Underlying profit before tax	**921**	**1,201**
Of which additional gains	*516*	*237*
Statutory profit before tax	920	1,232
Underlying EPS	2.0	2.3

- Increased underlying PBT by €280m in 2015
- Increased pre-provision operating profit by €150m (12%)
  - Increased net interest income by €96m; higher NIM partially offset by lower interest earning assets
  - Other income of €828m; reflects growth in our business income and additional gains of €237m
  - Cost / income ratio of 53% (2014: 54%)
- Reduced customer loan impairment charge by >60% to 32bps, compared to 90bps[1] charge in 2014
- Share of associates / JVs in 2014 includes €37m gains relating to sale of investment properties / other assets
- Additional gains of €237m in 2015 (2014: €516m)
- Underlying PBT, excluding additional gains, increased from €405m to €964m

[1] The loan impairment charge of €542m / 59 bps in 2014 reflected an underlying charge of €822m / 90bps partly offset by the impact of updating certain ROI mortgage collective provisioning assumptions amounting to €280m

BOI Overview: Historic financial results

Bank of Ireland Group

Income Statement[1]

	y/e Dec 11 (€m)	y/e Dec 12 (€m)	y/e Dec 13 (€m)	y/e Dec 14 (€m)	y/e Dec 15 (€m)
Total income	2,058	1,862	2,646	2,974	3,272
Net interest income	*1,983*	*1,755*	*2,133*	*2,358*	*2,454*
Other income	*524*	*495*	*642*	*653*	*828*
ELG fees	*(449)*	*(388)*	*(129)*	*(37)*	*(10)*
Operating expenses	(1,625)	(1,589)	(1,545)	(1,601)	(1,746)
Regulatory charges / levies[1]	(20)	(49)	(31)	(72)	(75)
Operating profit pre-impairment	413	224	1,070	1,301	1,451
Impairment charge	(1,971)	(1,769)	(1,665)	(472)	(296)
Customer loans	*(1,939)*	*(1,724)*	*(1,665)*	*(542)*	*(296)*
AFS	*(32)*	*(45)*	*-*	*70*	*-*
Share of associates / JVs	39	46	31	92	46
Underlying (loss) / profit before tax	**(1,519)**	**(1,499)**	**(564)**	**921**	**1,201**
Non core items	1,329	(679)	44	(1)	31
Statutory (loss) / profit before tax	(190)	(2,178)	(520)	920	1,232
NIM	1.33%	1.25%	1.84%	2.11%	2.19%
Cost / income ratio	79%	85%	58%	54%	53%

[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: Historic financial results

Summary Balance Sheet[1]

Bank of Ireland Group

	Dec 11 (€bn)	Dec 12 (€bn)	Dec 13 (€bn)	Dec 14 (€bn)	Dec 15 (€bn)
Net Customer Loans[2]	102	93	85	82	85
Liquid assets	31	33	27	25	24
Other assets	10	9	6	7	6
Total Assets	**143**	**135**	**118**	**114**	**115**
Customer deposits	71	75	74	75	80
Wholesale funding	51	39	27	20	14
Private Sources	*28*	*24*	*19*	*16*	*13*
Monetary Authority / TLTRO	*23*	*15*	*8*	*4*	*1*
Subordinated liabilities	1	2	2	2	2
Additional Tier 1 instruments	-	-	-	-	1
Other liabilities	10	10	7	8	10
Stockholders' equity	10	9	8	9	8
Total Liabilities & Stockholders' Equity	**143**	**135**	**118**	**114**	**115**
CET1 / Core Tier 1 Ratio (excl Prefs)[3]	11.6%	11.1%	10.0%	11.8%	13.3%
Total capital ratio (excl Prefs)[3]	12.0%	12.1%	11.3%	15.2%	18.0%
Loan to deposit ratio	144%	123%	114%	110%	106%

[1] Balance sheet excludes BOI Life assets and liabilities

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

[3] CET1 / Core Tier 1 and Total capital ratios are stated under Basel II rules as amended for PCAR requirements for 2011 – 2012 and under Basel III transitional rules for 2013 – 2015, all excluding 2009 Prefs

BOI Overview: Financial targets

Bank of Ireland Group

Metrics	Target	2015	Status
Balance Sheet			
Loans and advances to customers[1]	**c.€90bn**	€85bn	On track
Group loan / deposit ratio	**≤120%**	106%	✔
Transitional CET1 ratio	**Buffer maintained >10%**	13.3%	✔
ELG covered liabilities ELG fees	**Fully disengaged**	€0.7bn €10m	✔
Profitability			
Net interest margin	**>2.0%**	2.19%	✔
Cost / income ratio	**<50%**	53%	On track
Impairment charge[2]	**55-65bps**	32bps	✔

[1] Loans and advances to customers are stated net of impairment provisions
[2] Annual impairment charges on customer loans as a % of average gross loans for the period

Income Statement

Divisional performance

Bank of Ireland Group

Year ended Dec 15	Retail Ireland (€m)	Bank of Ireland Life (€m)	Retail UK (€m)	Corporate & Treasury (€m)	Group Centre & Other (€m)	Group (€m)
Operating profit / (loss) before impairment charge	604	103	284	699	(239)	1,451
Impairment charge	(95)	-	(139)	(62)	-	(296)
Share of results of associates and joint ventures	(2)	-	48	-	-	46
Underlying profit / (loss) before tax	**507**	**103**	**193**	**637**	**(239)**	**1,201**

Year ended Dec 14	Retail Ireland (€m)	Bank of Ireland Life (€m)	Retail UK (€m)	Corporate & Treasury (€m)	Group Centre & Other (€m)	Group (€m)
Operating profit / (loss) before impairment charge	505	133	312	641	(290)	1,301
Impairment (charge) / reversals	(226)	-	(228)	(88)	70	(472)
Share of results of associates and joint ventures	49	-	43	-	-	92
Underlying profit / (loss) before tax	**328**	**133**	**127**	**553**	**(220)**	**921**

Income Statement

Net interest income analysis

Bank of Ireland Group

	H1 2014			H2 2014			H1 2015			H2 2015		
	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	38.9	637	3.30%	38.2	617	3.21%	37.1	593	3.22%	36.8	589	3.17%
UK Loans	34.5	649	3.79%	34.0	638	3.72%	35.6	656	3.71%	36.4	661	3.60%
C&T Loans	10.8	231	4.33%	11.3	246	4.30%	11.9	253	4.31%	12.4	252	4.04%
Total Loans & Advances to Customers	**84.2**	**1,517**	**3.60%**	**83.5**	**1,501**	**3.56%**	**84.6**	**1,503**	**3.58%**	**85.6**	**1,502**	**3.49%**
Liquid Assets	25.8	222[1]	1.72%	24.4	192[1]	1.56%	24.3	148[1]	1.23%	22.4	115[1]	1.02%
Total Interest Earning Assets	**110.1**	**1,739**	**3.16%**	**107.9**	**1,693**	**3.11%**	**108.8**	**1,651**	**3.06%**	**108.0**	**1,617**	**2.97%**
Ireland Deposits	23.7	(119)	(1.01%)	22.9	(89)	(0.77%)	21.9	(48)	(0.44%)	22.0	(33)	(0.30%)
Credit Balances	17.3	(1)	(0.01%)	18.0	(1)	(0.01%)	20.8	(1)	(0.01%)	22.4	(1)	(0.01%)
UK Deposits	24.3	(183)	(1.06%)	23.3	(158)	(1.34%)	25.9	(158)	(1.23%)	25.6	(161)	(1.25%)
C&T Deposits	8.9	(47)	(1.51%)	9.3	(45)	(0.97%)	8.8	(33)	(0.76%)	8.3	(27)	(0.65%)
Total Deposits	**74.2**	**(350)**	**(0.94%)**	**73.4**	**(293)**	**(0.79%)**	**77.5**	**(240)**	**(0.62%)**	**78.4**	**(223)**	**(0.56%)**
Wholesale Funding	24.5	(150)	(1.23%)	20.4	(113)	(1.10%)	18.1	(101)	(1.13%)	14.3	(72)	(1.00%)
Subordinated Liabilities	1.8	(78)	(8.92%)	2.5	(90)	(7.14%)	2.5	(91)	(7.34%)	2.4	(88)	(7.32%)
Total Interest Bearing Liabilities	**100.5**	**(578)**	**(1.15%)**	**96.3**	**(496)**	**(1.03%)**	**98.1**	**(432)**	**(0.89%)**	**95.1**	**(383)**	**(0.80%)**
IFRS Income Classification		(27)			(26)			(29)			(54)	
Net Interest Margin	**110.1**	**1,134**	**2.05%**	**107.9**	**1,171**	**2.15%**	**108.8**	**1,190**	**2.21%**	**108.0**	**1,180**	**2.17%**
Average 3 month Euribor in period			0.30%			0.12%			0.02%			(0.06%)
Average ECB Repo rate in the period			0.24%			0.09%			0.05%			0.05%

[1] Excludes any additional gains from portfolio re-configuration during the period

Income Statement

Other income analysis (net)

Bank of Ireland Group

	2014 (€m)	2015 (€m)
Retail Ireland	320	331
Bank of Ireland Life	145	154
Retail UK (net)	9	9
Corporate and Treasury	152	153
Group Centre and other	(34)	(21)
Business income	**592**	**626**
Other gains		
Transfer from available for sale reserve on asset disposal	192	207
- *Sovereign bonds*	*177*	*173*
- *Other financial instruments*	*15*	*34*
Gain on disposal and revaluation of investment properties	13	30
Other Valuation items		
Financial instrument valuation adjustments (CVA, DVA, FVA) and other	(101)	50
Fair value movement on Convertible Contingent Capital Note (CCCN) embedded derivative	(31)	(17)
Investment variance – Bank of Ireland Life	17	11
Economic assumptions – Bank of Ireland Life	24	4
IFRS income classification	(53)	(83)
Other Income	**653**	**828**

Income Statement

Non-core items

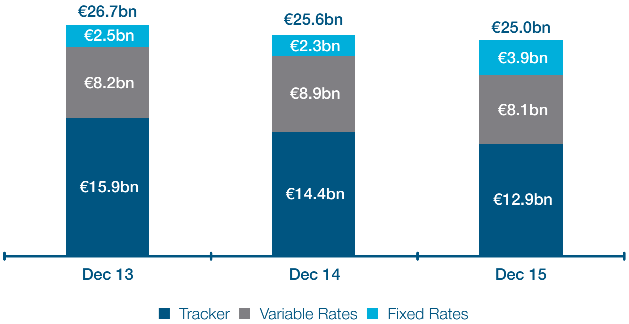
Bank of Ireland Group

	2014 (€m)	2015 (€m)
Cost of restructuring programme	(56)	(43)
Gross-up for policyholder tax in the Life business	14	11
Payments in respect of Career and Reward framework	(32)	(2)
Gain / (Charge) arising on the movement in Group's credit spreads	(10)	11
Impact of changes to pension benefits in the Group sponsored defined benefit schemes	93	4
Loss on liability management exercises	(5)	(1)
Investment return on treasury stock held for policyholders	(1)	-
Gain / (Loss) on disposal of business activities	(4)	51
Total non-core items	**(1)**	**31**

ROI mortgages: €25bn

Bank of Ireland Group

ROI Mortgages (gross)



- Trackers reduced by €1.5bn since Dec 14
- €11.8bn or 91% of trackers at Dec 15 are on a capital and interest repayment basis
  - 74% of trackers are owner occupier mortgages and 93% of these are on a capital and interest repayment basis at Dec 15 (Dec 14: 92%)
  - 26% of trackers are Buy to Let mortgages and 85% of these are on a capital and interest repayment basis at Dec 15 (Dec 14: 74%)
- Margin on ECB tracker mortgages was c.32bps[2] in H2 2015, compared to Group net interest margin (including ECB trackers) of 219bps in 2015

Market share and margins

	H1-15	H2-15
New Lending Volumes[1]	€0.5bn	€0.9bn
Market share	26%	31%

- Margins maintained
- BOI does not sell through broker channel
- c.75% of customers that take out a new mortgage take out a life assurance policy through BOI Group
- c.55% of customers that take out a new mortgage take out a general insurance policy through BOI Group with insurance partners

[1] Excludes €0.2bn in respect of IBRC mortgages portfolio acquisitions completed during H1 2015
[2] Average customer pay rate of 112bps less Group average cost of funds in H2 2015 of 80bps

Asset Quality

Profile of customer loans[1] at Dec 15 (gross)

Bank of Ireland Group

	ROI (€bn)	UK (€bn)	RoW (€bn)	Total (€bn)	Total (%)
Mortgages	25.0	27.9	-	52.9	59%
Non-property SME and corporate	12.1	4.6[2]	4.3	21.0	23%
SME	*9.3*	*2.4*	-	*11.7*	*13%*
Corporate	*2.8*	*2.2*	*4.3*	*9.3*	*10%*
Property and construction	7.8	5.5	0.1	13.4	15%
Investment property	*6.4*	*4.9*	*0.1*	*11.4*	*13%*
Land and development	*1.4*	*0.6*	-	*2.0*	*2%*
Consumer	1.5	1.8	-	3.3	3%
Customer loans (gross)	**46.4**	**39.8**	**4.4**	**90.6**	**100%**
Geographic (%)	51%	44%	5%	100%	

[1] Based on geographic location of customer

[2] Includes €1.8bn relating to GB business and corporate loan books, which BOI is required to run down under its EU approved Restructuring Plan

Asset Quality

Non-performing customer loans & impairment provisions

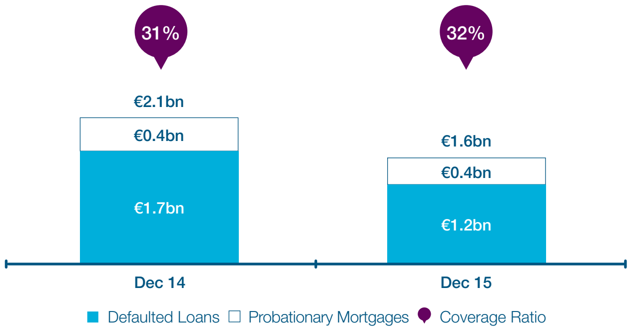
Composition (Dec 15)	Advances (€bn)	Non-performing loans (€bn)	Defaulted loans (€bn)	Non-performing loans as % of advances	Impairment Provisions (€bn)	Impairment Provisions as % of non-performing loans	Impairment Provisions as % of defaulted loans
Residential Mortgages	**52.9**	**4.2**	**2.8**	**7.9%**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

Composition (Dec 14)	Advances (€bn)	Non-performing loans (€bn)	Defaulted Loans (€bn)	Non-performing loans as % of advances	Impairment Provisions (€bn)	Impairment Provisions as % of non-performing loans	Impairment Provisions as % of defaulted loans
Residential Mortgages	**51.0**	**5.2**	**3.7**	**10.2%**	**1.6**	**31%**	**43%**
- Republic of Ireland	25.6	3.9	3.2	15.3%	1.5	38%	46%
- UK	25.4	1.3	0.5	5.0%	0.1	9%	23%
Non-property SME and Corporate	**20.3**	**3.3**	**3.3**	**16.4%**	**1.7**	**51%**	**51%**
- Republic of Ireland SME	9.6	2.5	2.5	25.6%	1.3	51%	51%
- UK SME	2.5	0.4	0.4	16.9%	0.2	44%	44%
- Corporate	8.2	0.4	0.4	5.6%	0.2	54%	54%
Property and construction	**15.2**	**7.1**	**7.1**	**46.5%**	**3.9**	**56%**	**56%**
- Investment property	12.5	4.7	4.7	37.2%	2.1	46%	46%
- Land and development	2.7	2.4	2.4	89.5%	1.8	74%	74%
Consumer	**3.0**	**0.2**	**0.2**	**6.4%**	**0.2**	**98%**	**98%**
Total loans and advances to customers	89.5	15.8	14.3	17.7%	7.4	47%	52%

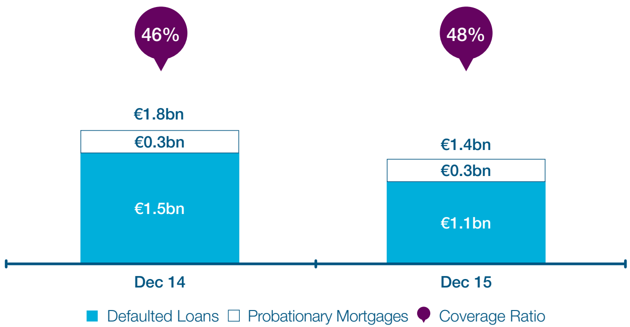
ROI Mortgages: €25.0bn

Bank of Ireland Group

Owner Occupied Non-performing loans



Buy to Let Non-performing loans



Owner Occupied: €20.0bn

- Reduced NPLs by 23% to €1.6bn in 2015
- Arrears at 43% of industry level[1] (Dec 14: 47%)
- BOI arrears >720 days reducing and at 37% of industry level[2] (Dec 14: 43%)
- 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
- €19.0bn or 95% of owner occupied mortgages at Dec 15 are on a capital and interest repayment basis (Dec 14: 94%)

Buy to Let: €5.0bn

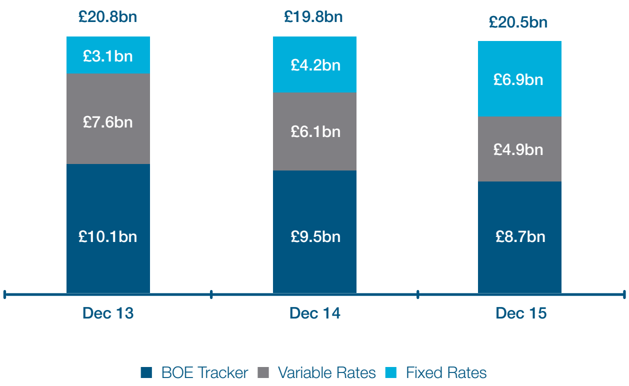
- Reduced NPLs by 21% to €1.4bn in 2015
- Arrears at 56% of industry level[3] (Dec 14: 61%)
- BOI arrears >720 days reducing and at 43% of industry level[4] (Dec 14: 47%)
- 86% of mortgage accounts are in the up to date book; 9 out of 10 accounts in forbearance are meeting the terms of their arrangement
- €3.8bn or 76% of Buy to Let mortgages at Dec 15 are on a capital and interest repayment basis (Dec 14: 70%)

[1] At September 2015, BOI owner occupier arrears level (based on number of accounts >90 days in arrears) was 4.27% compared to 9.98% for industry excl BOI
[2] At September 2015, BOI owner occupier arrears (based on number of accounts >720 days in arrears) was 2.15% compared to 5.75% for industry excl BOI
[3] At September 2015, BOI buy to let arrears level (based on number of accounts >90 days in arrears) was 11.15% compared to 20.09% for industry excl BOI
[4] At September 2015, BOI buy to let arrears (based on number of accounts >720 days in arrears) was 5.46% compared to 12.74% for industry excl BOI

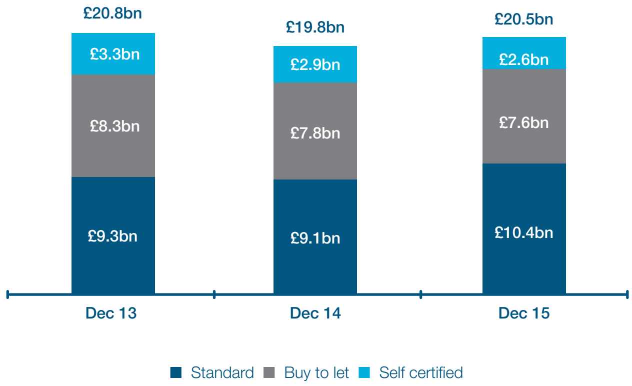
UK Residential mortgages: £20.5bn/€27.9bn

Bank of Ireland Group

UK Residential Mortgages (gross)



UK Residential Mortgages (gross)



Asset Quality

Available for Sale Financial Assets

Bank of Ireland Group

Carrying Value	ROI €bn	UK €bn	France €bn	Other €bn	Dec 15 €bn	Dec 14 €bn
Sovereign bonds	2.8	0.7	0.8	1.4	**5.7**	**8.3**
Senior debt	-	-	0.1	1.4	**1.5**	**2.3**
Covered bonds	0.3	0.3	0.4	1.2	**2.2**	**2.5**
Subordinated debt	0.3	-	-	-	**0.3**	**0.2**
Asset backed securities	-	0.1	-	0.3	**0.4**	**0.3**
Total	**3.4**	**1.1**	**1.3**	**4.3**	**10.1**	**13.6**
AFS Reserve	0.5	-	-	-	**0.5**	**0.6**

Ireland

- AFS reserve reduced by €0.1bn in 2015, primarily due to bond sales during the period
- In 2015, €1.5bn nominal value (€1.9bn fair value) of euro denominated bonds were reclassified from AFS to Held to Maturity; carrying value of €1.9bn at Dec 15
- NAMA subordinated bond – €0.3bn nominal value, valued at 96% (Dec 14 – 83%)
- Separately, BOI holds €1.4bn of NAMA senior bonds (Dec 14: €2.4bn)

Other exposures

- Supra-national – €1.2bn
- Spain – €0.8bn
- Belgium – €0.5bn
- Netherlands – €0.4bn
- Italy – €0.3bn
- Norway – €0.2bn
- Sweden – €0.2bn
- Portugal – €0.2bn
- Other – €0.5bn (all less than €0.1bn)

Capital

CET1 ratios

	Transitional ratio (€bn)	Fully loaded ratio (€bn)
Total equity	**9.1**	**9.1**
Less Additional Tier 1	(0.8)	(0.8)
Deferred Tax[1]	(0.1)	(1.3)
Pension Deficit	0.4	-
Available for sale reserve	(0.5)	-
Removal of National Filters	(0.1)	-
Intangible assets and goodwill	(0.5)	(0.5)
Other Items[2]	(0.4)	(0.5)
Common Equity Tier 1 Capital	**7.1**	**6.0**
Credit RWA	44.6	44.6
Operational RWA	4.8	4.8
Market, CVA and other RWA[3]	3.9	3.8
Total RWA	**53.3**	**53.2**
Common Equity Tier 1 Capital	**13.3%**	**11.3%**

CRD-IV phasing impacts

- Deferred Tax Asset[4] – certain DTAs are deducted at phased rate of 10% from 1 Jan 2015, increasing by 10% per annum thereafter
- Pension deficit – Basel II addback is phased out at 40% in 2015, increasing by 20% per annum thereafter
- Available for sale reserve[4] – non-sovereign unrealised losses and gains are phased in 40% in 2015, increasing by 20% per annum thereafter for the transitional ratio, the Group has opted to maintain its filter on both gains and losses on exposures to central governments classified in the "Available for Sale" category
- Pro forma transitional CET1 ratio at 1 Jan 2016 is estimated at 12.9% reflecting the 2016 phasing of CRD IV deductions

[1] RWA impact for deferred tax assets includes a 250% risk weighting applied to deferred tax assets due to temporary differences
[2] Other items include the cash flow hedge reserve
[3] Other RWA includes RWA relating to non-credit obligations / other assets and RWA arising from the 10/15% threshold deduction
[4] ECB is currently undertaking a review of national discretions and options. These proposals (which are expected to be implemented during 2016) include an increase in the phase in of the DTA deduction and the removal of the AFS sovereign filter.If all proposed changes were implemented at 1 Jan 2016 the pro forma transitional CET1 ratio would reduce from 12.9% to 12.8%

BOI Credit Ratings

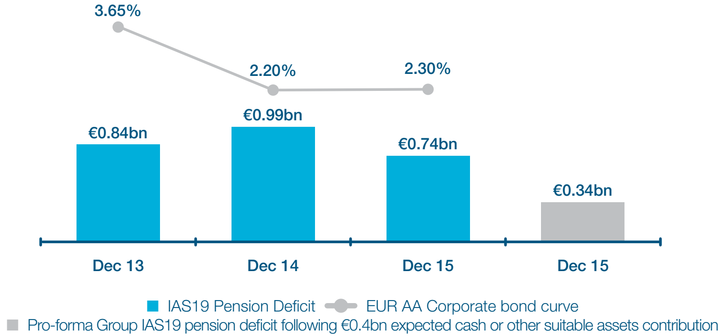
Bank of Ireland Group

	STANDARD & POOR'S	MOODY'S	FitchRatings
Senior Unsecured	BBB- (Positive)	Baa2 (Positive)	BBB- (Positive)
Issuer Specific Rating	**Stand Alone Credit Profile:** bbb-	**Baseline Credit Assessment (BCA):** ba2	**Viability Rating:** bbb-
Progress on BOI Credit Ratings	**July 2015:** 1 notch upgrade from BB+ to BBB- (Positive outlook)	**May 2015:** 2 notch senior unsecured upgrade from Ba1 to Baa2 (Stable outlook) **Nov 2015:** Outlook revised to Positive	**Dec 2015:** 1 notch senior unsecured upgrade from BB+ to BBB- (Positive outlook)
Key Rating Drivers Upside could develop from:	▶ Improvement in the Group's Risk Adjusted Capital (RAC) ratio ▶ Additional loss-absorbing capacity (ALAC) uplift	▶ Improvements in profitability and internal capital generation ▶ Reduction in non-performing loans	▶ Reduction in non-performing loans ▶ Strong internal capital generation

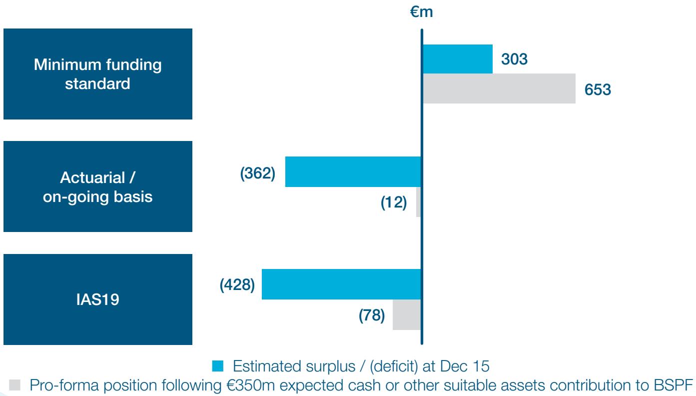
Defined Benefit Pension Schemes

Bank of Ireland Group

Group IAS19 Pension Deficit



BSPF[1] Surplus / Deficit under Relevant Bases Dec 15



- Group IAS19 pension deficit of €0.74bn at Dec 15 (€0.99bn at Dec 14)
- Primary drivers of the reduction in deficit were
  - Group pension scheme assets returns[2,3] were c.2% in 2015
  - Euro AA Corporate Bond discount rate[4] increased from 2.20% to 2.30%, and
  - c.€205m of deficit reducing contributions made to schemes, partially offset by
  - Long term ROI inflation rate expectation[4] increasing from 1.5% to 1.6%
- IAS19 requires that 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 corporate bonds exist at c.21 year duration and those bonds tend to be relatively illiquid
- 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 deficit reduction achieved through these programmes, Group agreed to increase its support for the schemes by making matching contributions. The remaining deficit-reducing contributions of c.€400m are expected to be made between 2016 and 2020
  - Allowing for these future contributions, the overall Group IAS 19 deficit would have been c.€0.34bn at Dec 15
- In addition to the IAS19 accounting valuation, the funding position of the main BSPF scheme is also measured under Minimum Funding Standard and Actuarial / on-going bases. Estimated valuations on both of these measures showed a stronger funding position than IAS19 at Dec 15

[1] BSPF represents c.75% of the overall Group DB liabilities
[2] Sensitivity of scheme assets to a 5% fall in global equity markets with allowance for other correlated diversified asset classes is c.€0.13bn
[3] Sensitivity of liability matching assets to a 10bps movement in interest rates is c.€0.05bn
[4] Sensitivity of IAS19 liabilities to a 25bps movement in the discount rate is c.€0.4bn and sensitivity to 10bps movement in the RPI inflation assumption is c.€0.1bn

Defined Benefit Pension Schemes

Bank of Ireland Group

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

1 Review Liabilities

- Pensions Review 2010 and 2013 - shared solutions with members – successfully executed
- Pension Review programme was further extended to smaller schemes in 2014 and 2015
- A Defined Contribution ('DC') scheme was introduced in 2014 for new hires and existing hybrid scheme closed
- An enhanced transfer value pilot exercise was successfully completed in 2015 reducing deferred liabilities by c.€55m. Further exercises planned for 2016

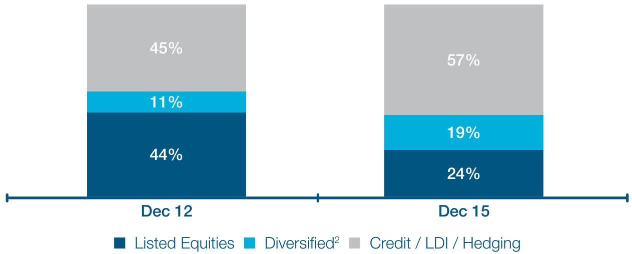
2 Increase Assets

- >€750m of deficit-reducing contributions made since 2010; further c.€400m expected to be made across Group schemes between 2016 and 2020
- BSPF asset returns of c.8.6% p.a. were achieved over 3 years to end 2015

3 Improve correlation between assets and liabilities

- Group has supported Trustees in diversifying asset portfolios away from listed equity into other return-seeking but less volatile asset classes e.g. c.20% of return seeking assets were switched to matching assets since beginning of 2014
- In 2015, a further €350m of liability hedging has been executed through the LDI portfolio and €270m of investment in Secure Income Assets is in train
- Continuing programme to better match asset allocation with the nature and duration of liabilities (ref chart below)

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

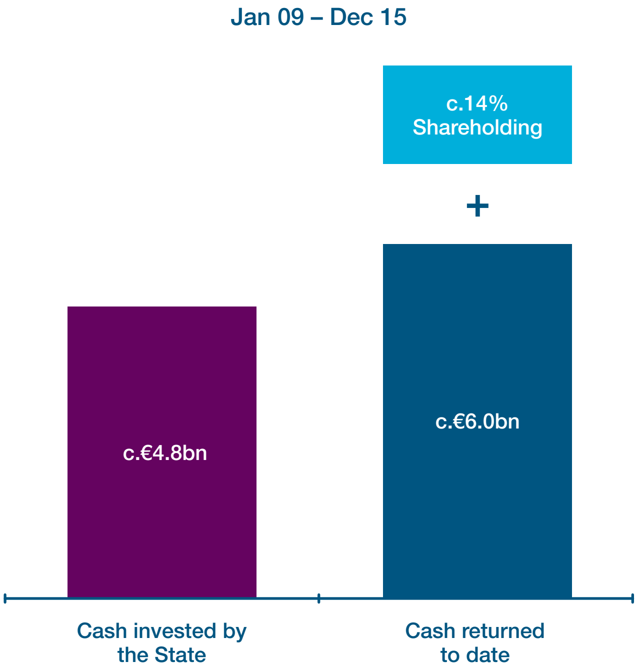


[1] Graphs shows BSPF asset allocation which is representative of the Group schemes overal

[2] Diversified category includes Infrastructure, Private Equity, Hedge funds and Property

Reimbursing and rewarding taxpayers support

Bank of Ireland Group



- Risk to the State dealt with – ELG expired
- Since 2009, c.€4.8bn cash invested by the State
- Cumulative c.€6bn cash returned to the State
- State Aid repaid
- State continues to hold valuable c.14% equity shareholding
- In 2015, BOI paid taxes of €225m and collected taxes of €821m on behalf of the Irish State

Ordinary stockholders' equity and TNAV

Bank of Ireland Group

Movement in ordinary stockholders' equity

	2014 (€m)	2015 (€m)
Ordinary stockholders' equity at beginning of period	**6,528**	**7,392**
Movements:		
Profit attributable to stockholders	786	940
Dividends on preference stock	(141)	(257)
Foreign exchange movements	275	255
Cash flow hedge reserve movement	159	(45)
Available for sale (AFS) reserve movements	133	(81)
Remeasurement of the net defined benefit pension liability	(353)	91
Other movements	5	13
Ordinary Stockholders' equity at end of period	**7,392**	**8,308**

Tangible net asset value

	Dec 14 (€m)	Dec 15 (€m)
Ordinary stockholders' equity at end of period	**7,392**	**8,308**
Adjustments:		
Intangible assets and goodwill	(405)	(509)
Own stock held for benefit of life assurance policyholders	12	11
Tangible net asset value (TNAV)	**6,999**	**7,810**
Number of ordinary shares in issue at the end of the period	**32,363**	**32,363**
TNAV per share (€ cent)	**21.6c**	**24.1c**

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Forward-Looking statement

Bank of Ireland Group

This document contains certain forward-looking statements within the meaning of Section 21E of the US Securities Exchange Act of 1934 and Section 27A of the US Securities Act of 1933 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,' 'can,' 'might,' 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;
- 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, foreign exchange rate risk;
- the impact on lending and other activity arising from emerging macro prudential policies;
- the performance and volatility of international capital markets;
- 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 establishment of the Single Resolution Mechanism
- the impact of the continuing implementation of significant regulatory developments such as Basel III, Capital Requirements Directive (CRD) IV, Solvency II and the Recovery and Resolution Directive;
- the exercise by regulators of powers of regulation and oversight in Ireland and the United Kingdom;
- 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 net interest margin increases and cost reductions;
- 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 address weaknesses or failures in its internal processes and procedures including information technology issues and equipment failures and other operational risks.
- the Group's ability to meet customer' expectations in mobile, social, analytics and cloud technologies which have enabled a new breed of 'digital first' propositions, business models and competitors;
- uncertainty relating to the forthcoming UK 'In / Out' referendum
- 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. The reader should however, consult any additional disclosures that the Group has made or may make in documents filed or submitted or may file or submit to the US Securities and Exchange Commission.