

Bank of Ireland Group plc

**Interim Report
for the period from 28 November 2016
(date of incorporation) to 30 June 2017**

Bank of Ireland Group plc
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Bank of Ireland Group plc

Interim management report

The Directors present their first interim management report and the unaudited interim financial statements (the 'Interim Report') of Bank of Ireland Group plc (the 'Company') for the period from incorporation on 28 November 2016 to 30 June 2017.

Business commentary

The Company was incorporated as Adjigo plc on 28 November 2016. On 31 March 2017, the Company changed its name to Bank of Ireland Group plc. The Company did not trade during the period from incorporation on 28 November 2016 to 30 June 2017, and received no income and incurred no expenditure. Consequently, during the period the Company made neither a profit nor loss.

Post balance sheet events

On 7 July 2017, the Company became the listed holding company of The Governor and Company of the Bank of Ireland ('BOI') and its subsidiaries (collectively 'the BOI Group'). From this date, the new Group, of which the Company is the parent (the 'BOIG plc Group'), is considered to be a continuation of the existing BOI Group.

On 12 September 2017, the Company announced that it had raised Stg£300 million and US\$500 million of subordinated debt (Tier 2 capital instruments) with a maturity of 10 years (callable after 5 years).

For further details on post balance sheet events, see note 7 on pages 7 and 8.

Principal risks and uncertainties

As the Company is now the listed holding company for the BOI Group, the principal risks and uncertainties facing the BOIG plc Group for the remaining six months of 2017 are those disclosed on page 40 of the Interim Report of the BOI Group for the six months ended 30 June 2017.

Related parties

There were no significant related party transactions that affected the Company's financial position or performance in the period ended 30 June 2017.

Directors and secretary

The names of the persons who were Directors of the Company at any time during the the period from 28 November 2016 to 30 June 2017 and up to the date of the approval of the financial statements are set out below.

Cian McCourt	(Appointed 28 November 2016) (Resigned 8 December 2016)
Stephen Ranalow	(Appointed 28 November 2016) (Resigned 8 December 2016)
Sean Crowe	(Appointed 8 December 2016) (Resigned 23 March 2017)
Brian Kealy	(Appointed 8 December 2016) (Resigned 23 March 2017)
Archie G Kane	(Appointed 23 March 2017)
Kent Atkinson	(Appointed 23 March 2017)
Richie Boucher	(Appointed 23 March 2017)
Pat Butler	(Appointed 23 March 2017)
Tom Considine	(Appointed 23 March 2017)
Patrick Haren	(Appointed 23 March 2017)
Andrew Keating	(Appointed 23 March 2017)
Patrick Kennedy	(Appointed 23 March 2017)
Davida Marston	(Appointed 23 March 2017)
Fiona Muldoon	(Appointed 23 March 2017)
Patrick Mulvihill	(Appointed 23 March 2017)
Richard Goulding	(Appointed 20 July 2017)

Company Secretary

Bradwell Limited	(Appointed 28 November 2016) (Resigned 23 March 2017)
Helen Nolan	(Appointed 23 March 2017)

Bank of Ireland Group plc

Responsibility statement

The Directors are responsible for preparing the Interim Report in accordance with the Transparency (Directive 2004/109/EC) Regulations 2007, the Transparency Rules of the Central Bank of Ireland and International Accounting Standard 34 ('IAS 34') as adopted by the European Union.

The Directors confirm that to the best of each Director's knowledge and belief the interim financial statements have been prepared in accordance with IAS 34 and that they give a true and fair view of the assets, liabilities, financial position and result of the Company and that as required by the Transparency (Directive 2004/109/EC) Regulations 2007, the Interim Report includes a fair review of:

- important events that have occurred during the period;
- the impact of those events on the financial statements;
- a description of the principal risks and uncertainties for the remaining six months of the financial year (see page 3); and
- details of any related parties' transactions that have materially affected the Company's financial position or performance in the period ended 30 June 2017.

The Directors are responsible for the maintenance and integrity of the corporate and financial information relating to the Company.

Legislation in Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Signed on behalf of the Board:

Archie G Kane
Director
18 September 2017

Patrick Kennedy
Director
18 September 2017

Bank of Ireland Group plc
Interim financial statements (unaudited)

Statement of comprehensive income (unaudited) for the period from incorporation on 28 November 2016 to 30 June 2017

The Company did not trade during the period from 28 November 2016 (date of incorporation) to 30 June 2017, and received no income and incurred no expenditure. Consequently, during the period the Company made neither a profit nor loss and had no recognised gains or losses.

Balance sheet (unaudited) as at 30 June 2017

		30 June 2017
		€
Assets	Note	
Debtors	4	27,800
Total assets		27,800
Equity		
Called up share capital	5	25,022
Undenominated capital account	5	2,778
Total equity		27,800

The notes on pages 6 to 8 are an integral part of the interim financial statements.

Statement of changes in equity (unaudited) for the period from incorporation on 28 November 2016 to 30 June 2017

		Period ended
		30 June 2017
		€
Share Capital	Note	
Balance at the beginning of the period		-
Issue of share capital in the period	5	27,800
Transfer to undenominated capital account	5	(2,778)
Balance at the end of the period		25,022
Undenominated capital account		
Balance at the beginning of the period		-
Transfer from share capital	5	2,778
Balance at the end of the period		2,778
Total equity		27,800

The notes on pages 6 to 8 form an integral part of the interim financial statements.

Bank of Ireland Group plc
Notes to the interim financial statements (unaudited) for the period from incorporation on 28 November 2016 to 30 June 2017

1 Reporting entity

Bank of Ireland Group plc (the 'Company') was incorporated as Adjigo plc in Ireland as a public limited company on 28 November 2016 with registered number 593672. Its registered office is situated at 40 Mespil Road, Dublin 4. The Company is domiciled in Ireland. On 31 March 2017, Adjigo plc changed its name to Bank of Ireland Group plc.

These interim financial statements cover the period from incorporation on 28 November 2016 to 30 June 2017. As the Company had no subsidiaries during the period, they reflect the results and financial position of the Company only and do not consolidate the results of the BOI Group, of which the Company became the parent on 7 July 2017 (see note 7).

2 Basis of preparation and significant accounting policies**2.1 Basis of preparation**

The interim financial statements have been prepared in accordance with the Transparency (Directive 2004/109/EC) Regulations 2007, the Transparency Rules of the Central Bank of Ireland and with International Accounting Standard 34, 'Interim Financial Reporting' as issued by the International Accounting Standards Board and as adopted by the European Union (the 'EU'). They have been prepared on the going concern basis under the historical cost convention. They do not constitute statutory accounts and have not been reviewed or audited by the Company's auditor. The first statutory financial statements will be prepared for the period from the date of incorporation on 28 November 2016 to 31 December 2017.

The interim financial statements are presented in euro (€) which is the functional and presentation currency of the Company.

The interim financial statements comprise the statement of comprehensive income, balance sheet, statement of changes in equity and the notes to the interim financial statements. There were no cash flows during the period and the company held no cash or cash equivalents at the period end, consequently the Company has not prepared a cash flow statement.

2.2 Significant accounting policies

The principal accounting policies applied in the preparation of the interim financial statements are set out below. These policies have been consistently applied in the period presented.

Debtors

Debtors are stated at the lower of amortised cost or recoverable amount.

Share capital

Ordinary shares are classified as equity.

Critical accounting estimates and judgements

The preparation of the interim financial statements did not require the Company to make any estimates or judgements which affected the reported amounts of the assets or liabilities, income or expense.

3. Directors and employees

The Directors received no remuneration and there were no employees during the period.

4. Debtors

Debtors represent amounts due in respect of the called up share capital of the Company. Debtors are receivable within one year.

Bank of Ireland Group plc
Notes to the interim financial statements (unaudited) for the period from incorporation on 28 November 2016 to 30 June 2017 (continued)

5. Share capital

	30 June 2017
Authorised share capital	€
10,000,000,000 ordinary shares of €1.00 each	10,000,000,000
27,800 deferred ordinary shares of €0.90 each	25,020
	10,000,025,020
Issued and called up share capital	€
2 ordinary shares of €1.00 each	2
27,800 deferred ordinary shares of €0.90 each	25,020
	25,022

All units of ordinary shares in issue carry the same voting rights.

On incorporation, the issued share capital of the Company was €25,000, divided into 25,000 deferred ordinary shares of €1.00 each and 2 deferred ordinary shares of €0.10 each. All of these shares were fully paid up on that date.

On 23 March 2017 the Company issued an additional 2,800 deferred ordinary shares of €1.00 each. Following allotment the nominal value of the deferred ordinary shares was reduced from €1.00 to €0.90 per share with €2,780 being credited to the undenominated capital account of the Company. Immediately following this, the nominal value of each ordinary share was increased from €0.10 to €1.00 by debiting the undenominated capital account. Immediately following the increase in nominal value of the ordinary shares, the amount standing to the credit of the undenominated capital account of the Company was €2,778.

6. Related party transactions

There were no significant related party transactions that affected the Company's financial position or performance in the period ended 30 June 2017.

7. Post balance sheet events

7.1 Introduction of the Company as the listed holding company of the Group

The BOI Group announced on 31 March 2017 that it intended to implement a corporate reorganisation which would result in the Company being introduced as the listed holding company of the BOI Group. The reorganisation was approved by the ordinary stockholders of BOI at an Extraordinary General Meeting held on 28 April 2017.

Following approval of the High Court, the reorganisation was implemented by a Scheme of Arrangement under the Companies Act 2014 (the "Scheme").

The Scheme became effective on 7 July 2017 and as a result, the Company became the new parent entity of the BOI Group on that date.

Holders of ordinary stock in BOI on 7 July 2017 were issued with shares in the Company on the basis of the exchange ratio of one share in the Company for each individual holding of 30 units of ordinary stock in BOI (which included a rounding up mechanism).

As a result, a total of 1,078,822,872 units of €1.00 per unit ordinary shares in the Company, representing its entire issued ordinary share capital, were listed on the Irish Stock Exchange and the London Stock Exchange on 10 July 2017.

The deferred ordinary shares and ordinary shares in issue prior to the Scheme were acquired by the Company for €nil consideration and cancelled on the date the Scheme became effective.

Bank of Ireland Group plc
Notes to the interim financial statements (unaudited) for the period from incorporation on 28 November 2016 to 30 June 2017 (continued)

7. Post balance sheet events (continued)**7.1 Introduction of the Company as the listed holding company of the Group (continued)**

Under International Financial Reporting Standards, the Scheme is considered to be a corporate reorganisation that does not change the substance of the existing Group of which BOI was the parent. The new Group, of which the Company is the parent (the 'BOIG plc Group'), is considered to be a continuation of the existing BOI Group. Predecessor accounting will apply to the Scheme, such that the consolidated financial statements of the BOIG plc Group will incorporate the assets and liabilities of the existing BOI Group at their existing consolidated carrying values as at the date of the Scheme, and will include the full year's results of the existing BOI Group, including comparatives. The net assets of the BOIG plc Group immediately after implementation of the Scheme did not differ from the net assets of the existing BOI Group immediately before the Scheme.

7.2 Capital reduction

On 10 July 2017, the Company applied to the High Court for approval of a capital reduction to create distributable reserves (within the meaning of Section 117 of the Companies Act 2014). The capital reduction was approved by the High Court on 27 July 2017 and distributable reserves of €5.5 billion were created in the Company when the Irish High Court order approving the capital reduction was registered with the Companies Registration Office on 28 July 2017.

7.3 Changes in Company directors

Mr. Richard Goulding was appointed as a Non-executive Director on the Board of the Company with effect from 20 July 2017.

On 26 July 2017, the BOIG plc Group announced that Mr Richie Boucher will step down as Chief Executive Officer ('CEO') and resign from the Board of the Company with effect from 1 October 2017. As previously announced, Ms Francesca McDonagh will succeed Mr Boucher as CEO. Ms McDonagh will also take up the position of Executive Director on the Board of the Company on 2 October 2017.

7.4 Subordinated debt issuance

On 12 September 2017, the Company announced that it had raised Stg£300 million and US\$500 million of subordinated debt (Tier 2 capital instruments) with a maturity of 10 years (callable after 5 years). The capital instruments carry a yield of 3.235% and 4.242% respectively.

8. Approval of interim financial statements

The Board of Directors approved the Interim Report on 18 September 2017.