Interim Results Announcement

30 June 2016

Bank of Ireland Group

Bank of Ireland Group

1 H1 2016 progress

Richie Boucher, CEO

2 Financial Results

Andrew Keating, CFO

H1 2016 Progress

Richie Boucher

Business Highlights

Continuing to deliver on strategic priorities

Bank of Ireland Group

Customers

- Strength of our customer franchises reflected in our financial performance
- Continue to be the largest lender to the Irish economy in H1 2016
- Growth in core loan books of €1.1bn; new lending up 14% on H1 2015
- Reduced non-performing loans by €2.1bn in H1 2016 with defaulted loans now c.10% of customer loans

Profitability

- Underlying profit of €560m; loan asset spread in line with H2 2015; NIM of 2.11%
- Net impairment charge reduced to 21bps (28bps in H2 2015)
- All trading divisions contributing towards the Group's profitability
- Too early to fully assess the impact of UK's EU referendum result

Capital

- Fully loaded CET1 ratio of 10.7%; transitional CET1 ratio of 12.8%
- Strong discipline on pricing and risk; priority is to protect and generate capital
- Market reaction to UK's EU referendum result impacting IAS19 accounting valuation of pension deficit
- Aim is to have a sustainable dividend. External factors, including UK's EU referendum result, may impact timing of our ambition to recommence dividends

Underlying PBT of €560m

	H1 2015	H2 2015	H1 2016
Total income	€1,759m	€1,513m	€1,587m
Net interest margin	2.21%	2.17%	2.11%
Operating expenses Levies and regulatory charges	(€848m) (€27m)	(€898m) (€48m)	(€890m) (€62m)
Impairment charges	(€168m)	(€128m)	(€95m)
Share of associates / JVs	€27m	€19m	€20m
Underlying profit before tax	**€743m**	**€458m**	**€560m**
Of which additional gains	*€228m*	*€9m*	*€157m*
Average € / Stg £ rates	*0.73*	*0.72*	*0.78*

- Total income of €1,587m
  - Net interest income of €1,135m, lower than H2 2015 due primarily to the impact of the low interest rate environment, lower liquid asset income and FX impact of c.€30m
  - Business income of €317m in line with H2 2015. Other income of €470m includes €157m of additional gains (H2 2015: €9m)
- NIM of 2.11% reflecting;
  - Strong commercial discipline on pricing; loan asset spread in line with H2 2015
  - Lower liquid asset spread due to the low interest rate environment and the impact of bond portfolio rebalancing
- Focussed on tight cost control whilst continuing to invest in our businesses, infrastructure and people
- Customer loan impairment charge (net) continues to decline reflecting actions taken and ongoing improvements in asset quality

Core loan books growing; continuing reduction in NPLs

Bank of Ireland Group

	Dec 15	Jun 16
Customer loans (net)	€84.7bn	€80.2bn
Non-performing loans *Defaulted loans* *Probationary mortgages*	€12.0bn *€10.6bn* *€1.4bn*	€9.9bn *€8.7bn* *€1.2bn*
CET1 ratios *Fully loaded* *Transitional*	 *11.3%* *12.9%[1]*	 *10.7%* *12.8%*
Total Capital ratio (Transitional)	17.5%[1]	17.2%
TNAV per share	24.1c	22.8c
Closing € / Stg £ rates	0.73	0.83

- Core loan books grew by €1.1bn in H1 2016;
  - New lending of €6.9bn during H1 2016; 14%[2] increase on H1 2015
  - Redemptions of €7.1bn, of which €1.3bn related to cash from defaulted loans (€0.5bn), low yielding ROI mortgage trackers (€0.5bn) and GB non-core business banking (€0.3bn)
  - Customer loans decreased by €4.5bn to €80.2bn (FX translation impact of €4.3bn)
- NPLs reduced by €2.1bn (17%) in H1 2016;
  - All asset categories reduced
  - Defaulted loans component of €8.7bn; down >50% from reported peak in June 2013
- Continued organic capital generation (60 bps) more than offset by increase in IAS19 accounting standard pension deficit
- TNAV of 22.8c; attributable profit of 1.3c offset by movement in IAS19 pension deficit (1.2c) and FX reserve (1.1c)

[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

[2]Excludes portfolio acquisitions (H1 2015 – €0.5bn; H1 2016 – €0.1bn)

Favourable Macroeconomic Environment in H1 2016

Bank of Ireland Group

Economic Indicators

Retail Sales	Unemployment Rate	Residential Property Prices
ROI: 5.3%	ROI: 7.8%	ROI: 6.9%
UK: 4.3%	UK: 4.9%	UK: 5.1%
Latest Year-on-Year Change[1]	Latest Rate[2]	Latest Year-on-Year Change[3]

Ireland

- Employment, consumer spending and property prices continued to increase in H1 2016
- Unemployment rate at 7 year low
- Leading FDI hub with young educated workforce, most competitive Euro area economy[4]

United Kingdom

- Strong consumer spending drove continued GDP growth
- Economy moved further towards full employment in H1 2016
- Uncertainty in the wake of UK's EU Referendum result may weigh on business and consumer confidence

[1] June 2016 [2] ROI: June 2016, UK: May 2016 [3] ROI: May 2016, UK: June 2016

Sources: Central Statistics Office, Office for National Statistics, Nationwide, IDA, [4]IMD World Competitiveness Center

Benefitting from Irish growth with international diversification

Ireland
(~70% of total income)

- Retail and commercial bank; Ireland's only bancassurer
- #1 or #2 market positions across all principal product lines
- Sustainable market structure
- Strong commercial discipline on lending and deposit margins
- Continuing to benefit from and support economic growth in Ireland

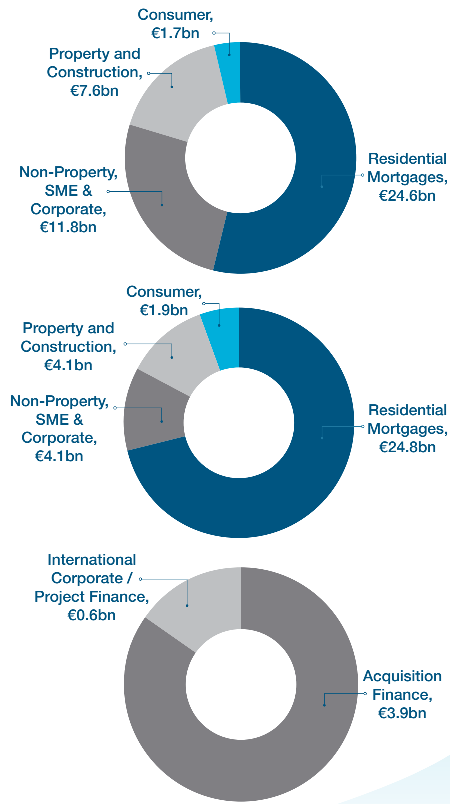
United Kingdom
(~25% of total income)

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

International
(~5% of total income)

- Mid market US / European Acquisition Finance business; strong 20+ year track record
- Generates attractive margins and fee income within disciplined risk appetite
- Acquisition Finance represents c.5% of Group loan volumes at June 2016 – good geographic and sectoral diversification

Gross customer loans at June 2016



Investing in technology and supporting our customers

Further developing our customer channels, propositions and partnerships

Bank of Ireland Group

Developing valuable customer relationships

Supporting Enterprise through our branch network

During National Enterprise Week in May 2016, we had 750 events and c.2,900 participating businesses

500+ Start-ups have used our Workbench spaces

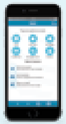
startlab

The first bank incubator programme in Ireland

Serving customers in a way that suits them

Continuing to invest in meeting our customers changing needs

Simplifying and digitalising key customer journeys



Enhancing the mobile proposition to respond to increased customer usage

Over 59% of personal and 83% of small business loans (c.€100k) delivered online and on the phone in H1 2016

Future focussed investment

- Continue to make banking more efficient, consistent and accessible
- Investing in adopting, integrating and, over time, moving to more scalable and modern platforms that position us for the future
- Actively working with our partners on solutions and implementation

Summary

Focussed on delivering strategic objectives

Bank of Ireland Group

Ireland / UK Economies

- Core fundamentals of Irish and UK economies have been strong and both have proven resilience
- Too early to fully assess UK's EU referendum impacts on economic and customer activity and on actions by regulatory and monetary authorities
- Maintaining appropriate caution on risk appetite

Track record of protecting and generating capital

- Experienced senior leadership team
- Retaining strong commercial discipline
- Experience to safely navigate impacts of UK's EU referendum result
- Consistent track record of delivery

Business Model

- Strong retail & commercial franchises; diversified business model
- #1 or #2 market positions across all principal product lines in Ireland
- Flexibility within UK business model to adapt quickly to market developments

Protecting capital while focussing on sustainable returns for shareholders

Financial Results

Andrew Keating

Group Income Statement

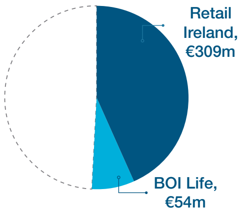
Underlying profit before tax of €560m

	H1 2015 (€m)	H2 2015 (€m)	H1 2016 (€m)
Total income	1,759	1,513	1,587
Net interest income	*1,219*	*1,235*	*1,135*
Other income (net)	*545*	*283*	*470*
ELG fees	*(5)*	*(5)*	*(18)*
Operating expenses	(848)	(898)	(890)
Levies and regulatory charges	(27)	(48)	(62)
Operating profit pre-impairment	884	567	635
Impairment charges	(168)	(128)	(95)
Share of associates / JVs	27	19	20
Underlying profit before tax	**743**	**458**	**560**
Of which additional gains	*228*	*9*	*157*
Statutory profit before tax	725	507	557
Underlying EPS	1.8c	0.5c	1.2c

- Net interest income of €1,135m, lower than H2 2015 due primarily to the impact of the low interest rate environment, lower liquid asset income and FX impact of c.€30m
- Business income of €317m in line with H2 2015. Other income includes additional gains of €157m
- Focussed on tight control over our cost base, while making appropriate investments in our businesses, infrastructure and people
- Net impairment charge reduced to €95m
- Underlying PBT includes additional gains of €157m
  - Gain on VISA Europe transaction (€95m)
  - Liquid asset portfolio rebalancing (€54m)
  - Sale of investment properties / other assets (€8m)

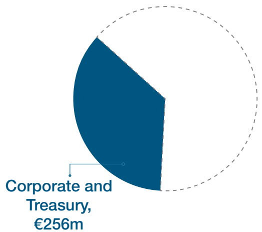
All trading divisions are contributing to the Group's profitability

Bank of Ireland Group



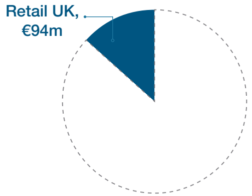
Retail Ireland

- Underlying PBT of €309m
- Market share of new mortgage lending of 28% in Q1 2016; fixed rate strategy providing value, certainty and stability to our customers and the Group
- Bank of Ireland Life underlying PBT of €54m reflecting lower levels of new business against a backdrop of volatile investment markets in H1 2016



Corporate & Treasury

- Underlying PBT of €256m
- Acquisition Finance continues to deliver strong income growth within a disciplined risk appetite
- Income on liquid assets reflects the low rate environment



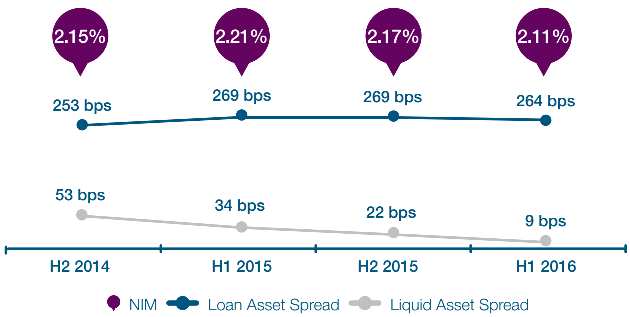
Retail UK

- Underlying PBT of €94m
- New mortgage lending of £1.4bn in H1 2016
- Start-up partnership with AA has had a positive first 12 months

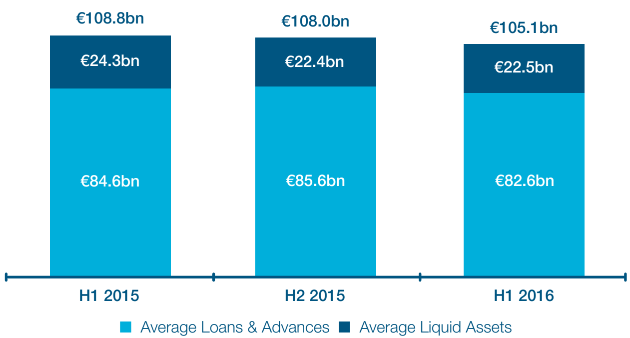
Note: Group Centre operating performance not included. The Group's central functions, through Group Centre, establish and oversee policies, and provide and manage certain processes and delivery platforms for the divisions

Net interest income
Impacted by lower liquid asset yields

Net interest margin drivers



Average interest earning assets



Net interest income

- Net interest income of €1,135m; impacted in H1 2016 by the low interest rate environment, lower liquid asset yields and FX translation effects

Average interest earning assets

- Decreased by €2.9bn to €105.1bn primarily due to FX translation effects

NIM

- H1 2016 NIM of 2.11% reflects;
  - Commercial discipline maintained on lending and deposit margins
  - Stable loan asset spread[1] of 264 bps
  - Lower liquid asset spread[1] of 9 bps
- Maturity of expensive CoCo (€1bn; 10% fixed coupon) in July 2016 will positively impact NIM in H2 2016

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

Loans and advances to customers

Continued growth in core loan books

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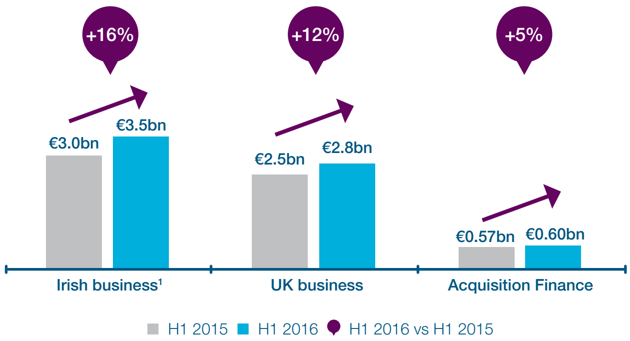
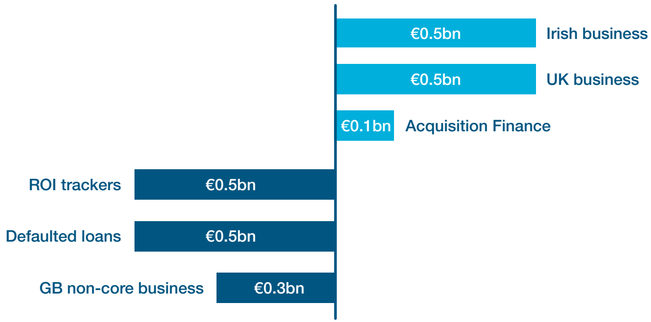
New lending volumes



Net lending growth



- Core loan books grew by €1.1bn in H1 2016
- New lending of €6.9bn during H1 2016; an increase of 14%[1] on H1 2015
- Redemptions of €7.1bn, of which €1.3bn related to;
  - Cash payments on defaulted loans of €0.5bn
  - Low yielding ROI mortgage trackers redemptions of €0.5bn
  - GB non-core business banking redemptions of €0.3bn
- Customer loans decreased by c.€4.5bn to €80.2bn (Primarily due to FX translation impact of €4.3bn)
- Good pipeline at end H1 2016; we will maintain appropriate caution and focus on pricing

[1]Excludes portfolio acquisitions (H1 2015 – €0.5bn; H1 2016 – €0.1bn)

Other Income

Business income stable and in line with H2 2015

	H1 2015 (€m)	H2 2015 (€m)	H1 2016 (€m)
Retail Ireland	167	164	156
Bank of Ireland Life	81	73	76
Retail UK	5	4	5
Corporate & Treasury	71	82	86
Group Centre and Other	(5)	(16)	(6)
Business Income	**319**	**307**	**317**
Additional gains	228	9	157
- *VISA Europe gain*	-	-	*95*
- *Liquid asset portfolio rebalancing*	*171*	*2*	*54*
- *Sale of investment properties / other assets*	*57*	*7*	*8*
Other valuation items	(2)	(33)	(4)
Other Income	**545**	**283**	**470**

Business income

- Includes fee income from customer activity in our Retail ROI, BOI Life, Retail UK and Corporate & Treasury divisions
- Business income stable and in line with H2 2015

Additional gains and other valuation items

- Additional gains reflect the Visa Europe transaction, gains on the sale of liquid assets, investment property / other assets
- Other valuation items relate primarily to the impact of market interest rates on financial instruments

Operating Expenses, Levies and Regulatory charges

Focused on cost control; continue to invest

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	H1 2015 (€m)	H2 2015 (€m)	H1 2016 (€m)
Total staff costs	446	448	454
Staff costs	*365*	*371*	*376*
Pension costs	*81*	*77*	*78*
Other costs	341	381	371
Depreciation	61	69	65
Operating Expenses	**848**	**898**	**890**
Levies and Regulatory charges	27	48	62
Levies and Regulatory charges	*9*	*13*	*55*
FSCS levy	*18*	*(3)*	*7*
Irish bank levy	*-*	*38*	*-*
Total Operating Expenses	**875**	**946**	**952**
Cost / income ratio[1]	48%	59%	56%

- Cost / income ratio of 56%
- Total staff costs of €454m in H1 2016; increase vs. H2 2015, driven primarily by the impact of the Career and Reward framework
- Other costs of €371m reflect appropriate investments in our businesses, infrastructure and people
- FX translation benefit on operating expenses of c.€14m in H1 2016 vs. H2 2015
- Levies and regulatory charges
  - Levies and regulatory charges include Single Resolution Fund, Deposit Guarantee Scheme and other regulatory related fees
  - Irish bank levy will be accounted for in H2 2016
  - Expect levies and regulatory charges to total €110m-€120m in 2016

[1]Cost / income ratio is calculated as operating expenses (excluding levies and regulatory charges) divided by total income. Total income included additional gains of €157m in H1 2016 (H1 2015: €228m, H2 2015: €9m)

Asset Quality

Non-performing loans and impairment charges

Significant reduction in non-performing loans and impairment charges

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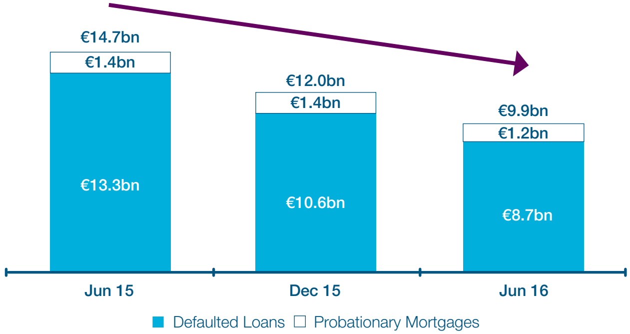
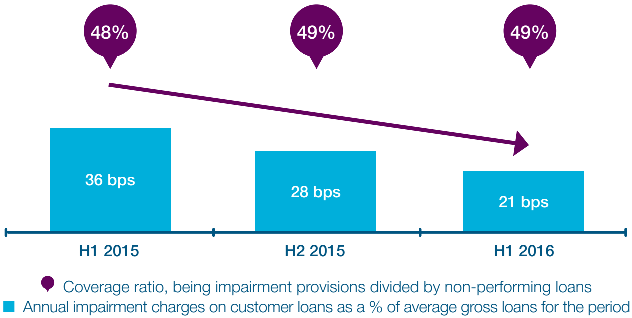
Non-performing loan volumes



Net impairment charges on customer loans



Non-performing loan volumes[1] – €9.9bn

- €2.1bn reduction during H1 2016
- Reductions in all asset classes
- Defaulted loans component of €8.7bn; down >50% from reported peak in June 2013
- Expect further reductions in H2 2016 and beyond; pace influenced by a range of factors

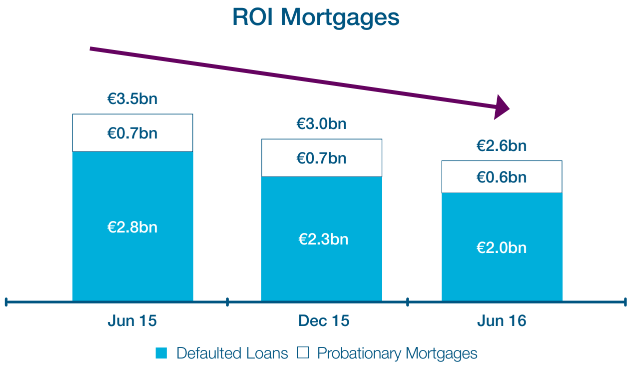
Impairment charges on customer loans

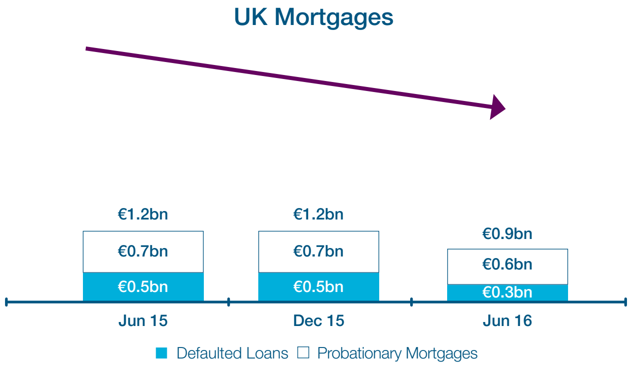
- Net charge of 21 bps for H1 2016 vs 28 bps in H2 2015
- Gross H2 2016 impairment charge to remain at broadly similar levels
- Coverage ratio of 49% (49% at Dec 15)
- Expect normalised impairment charge of 30-35bps

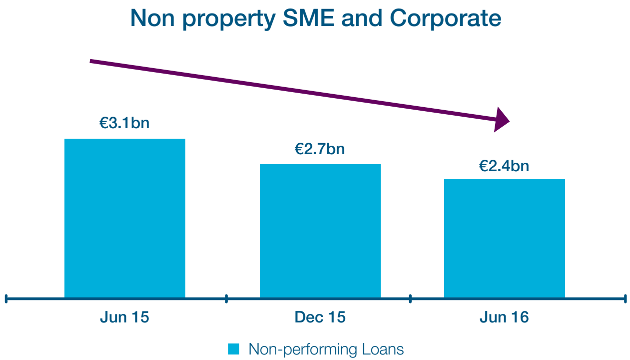
[1] Non-performing loans comprise defaulted loans plus probationary mortgages

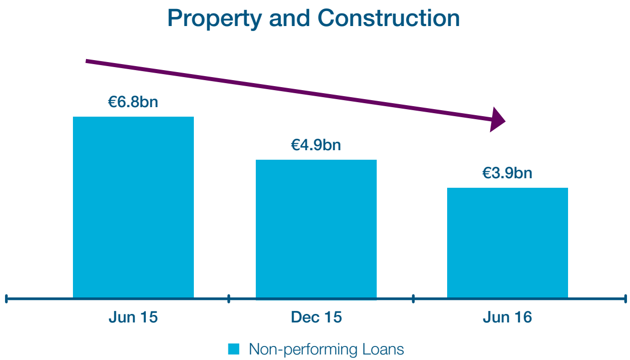
Non-performing loans by portfolio

Reducing across all asset classes









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

UK Customer Loans £28.8bn (€35.0bn)

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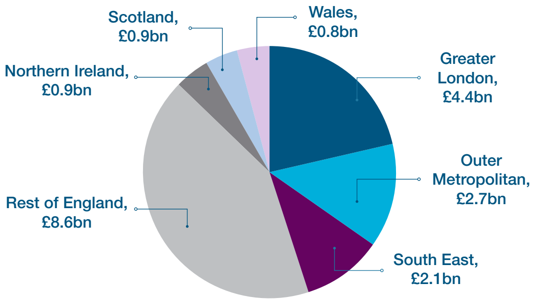
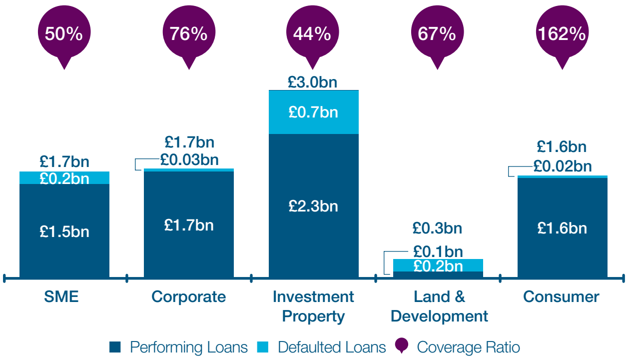
UK Mortgages – £20.5bn



Other UK Customer Loans – £8.3bn



UK Mortgages Analysis

- Total UK mortgages of £20.5bn; (NPLs[1] - 4%; Defaulted loans - 2%)
  - Average LTV of 62% on total book
  - Average LTV of 69% on new mortgages
- UK mortgage book continues to perform better than industry averages[2]
- 89% of mortgages originated since 2010 are standard owner occupier mortgages
- BTL book is well seasoned with 88% of these mortgages originated pre 2009
- Average balance of Greater London mortgages is c.£195k. 87% of these mortgages have an LTV <70%

Other UK Customer Loans Analysis

- Other UK loans exposure of £8.3bn; Defaulted loans of £1.1bn with strong coverage ratios. Investment property defaulted loans have decreased by 65% in the last 2 years
- Performing loans of £7.2bn;
  - SME: broad sectoral diversification with low concentration risk
  - Corporate: specialist lending teams in Acquisition Finance, Project Finance, and Corporate lending
  - Investment Property: Retail (47%), Office (21%), Residential (13%) Other (19%)
  - Consumer: largest segment is asset backed motor financing of £0.9bn. Book also includes Post Office / AA branded credit cards and personal loans

[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]Data published by the Council Mortgage Lenders (CML) for March 2016 indicates that the proportion (0.98%) of the UK mortgage book in default remains below the UK industry average of 1.04%

Funding & Capital

Balance Sheet

Capital and Liquidity available to support growth

Bank of Ireland Group

	Dec 15 (€bn)	Jun 16 (€bn)
Customer loans	85	80
Liquid assets	24	22
BOI Life assets	16	16
Other assets	6	8
Total Assets	**131**	**126**
Customer deposits	80	78
Wholesale funding	14	13
BOI Life liabilities	16	16
Other liabilities	12	10
Stockholders' equity	8	8
Additional Tier 1 security	1	1
Total Liabilities	**131**	**126**
Closing € / Stg £ rates	0.73	0.83

Strong liquidity ratios

- Net Stable Funding Ratio – 119%
- Liquidity Coverage Ratio – 116%
- Loan to Deposit Ratio – 103%

Customer deposits – €78bn

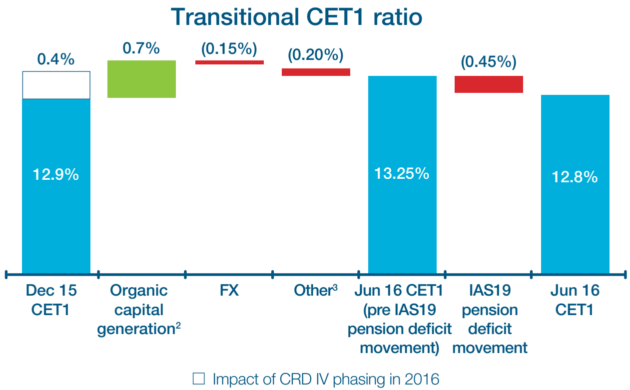
- Customer deposits funding >95% of customer loans
- ROI €40bn, UK €26bn (£21bn) and Corporate €12bn
- Predominantly sourced through retail distribution channels
- Current account volumes growing with increased activity by customers and ongoing shift from term deposits due to the low interest rate environment

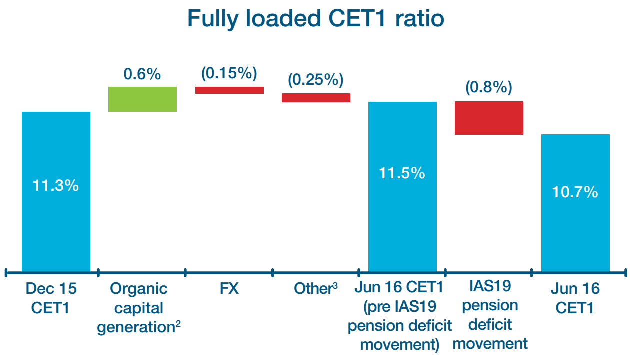
Wholesale funding – €13bn

- Strong liquidity position facilitated buyback of €0.6bn of outstanding senior debt in H1 2016
- Significant TLTRO II capacity available at attractive pricing

Capital[1]

Continued organic capital generation offset by IAS19 pension deficit





- Continued organic capital generation offset by IAS19 accounting standard pension deficit;
  - Fully loaded CET1 ratio of 10.7%
  - Transitional CET1 ratio of 12.8%
  - Transitional Total Capital ratio of 17.2%
- Transitional leverage ratio of 6.6%; Fully loaded leverage ratio of 5.6%
- IAS19 accounting standard defined benefit pension deficit of €1.2bn (Dec 15: €0.74bn)
- Aim is to have a sustainable dividend
  - External factors, including UK's EU referendum result, may impact timing of our ambition to recommence dividends

[1]Capital ratios have been presented including the benefit of the retained profit during the period
[2]Organic capital generation consists of attributable profit, AFS reserve movements and the reduction in the DTA deduction (DTAs that rely on future profitability). Transitional organic capital generation is 10bps higher due to the phasing impacts on AFS reserves and DTA deduction
[3]Other items relate primarily to 10%/15% threshold deduction and change in RWA on a constant currency basis

Additional Information

Additional Information

Bank of Ireland Group

BOI Overview: Business profile

Ireland: Leading bank in a growing economy with a well structured market

Bank of Ireland Group

Comprehensive multi-channel distribution platform	c.250 branches	c.1,770 – Self-service devices	71% of consumers are now digitally active	c.440k active mobile customers	830k service calls monthly / 24 x 7

Market leading positions	**Consumer Banking** c.3 out of every 10 new mortgages in H1 2016	**Wealth Management incl. New Ireland** Life Assurance c.19% APE market share	**Business Banking** #1 Business Bank >50% of new SME / Agri lending	**Corporate Banking** #1 Corporate Bank >30% Corporate market share
Strong relationships with customers	c.1.7m Customers	c.500k Customers	c.183k SME Customers	>60% FDI

BOI Overview: Business profile

Attractive international franchises provide further opportunities for growth

Bank of Ireland Group

Partnership based consumer banking franchise in UK

POST OFFICE Money

Trusted brands, established customer base and expanding product range

c.1.4m Savings Accounts	c.250k Mortgage customers	Retail FX	c.660k Cardholders	Current Accounts
Focus on pricing agility and customer experience	New origination platform in 2015 with further investment in rollout through 2016	Market leader with c.24% share c.950k Travel Money Cards sold	Investment in self-service solutions on mobile channel	Trial underway and new propositions being developed

More branches than other retail banks combined

11,600 Post Office branches	2,500 Post Office / BOI ATMs	Online	Mobile	Telephone	Strategic intermediaries

New partnership commenced in 2015

AA

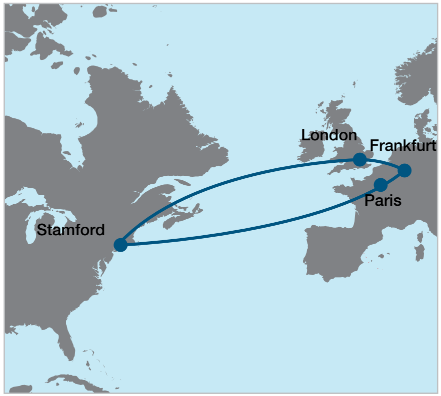
Long term financial services partnership, focussing on credit cards, personal loans, savings and mortgages

Full service bank in Northern Ireland

Northridge: Specialist asset finance business

Acquisition Finance

- Well recognised lead arranger / underwriter
- European / US Business
- Focussed on mid-market transactions
- Expertise developed over c.20 years
- Profitable with strong asset quality
- c.€3.9bn of loan volumes



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)	Jun 16 (€m)
Total income	1,862	2,646	2,974	3,272	1,587
Net interest income	*1,755*	*2,133*	*2,358*	*2,454*	*1,135*
Other income	*495*	*642*	*653*	*828*	*470*
ELG fees	*(388)*	*(129)*	*(37)*	*(10)*	*(18)*
Operating expenses	(1,589)	(1,545)	(1,601)	(1,746)	(890)
Levies and regulatory charges[1]	(49)	(31)	(72)	(75)	(62)
Operating profit pre-impairment	224	1,070	1,301	1,451	635
Impairment charges	(1,769)	(1,665)	(472)	(296)	(95)
Customer loans	*(1,724)*	*(1,665)*	*(542)*	*(296)*	*(93)*
AFS	*(45)*	*-*	*70*	*-*	*(2)*
Share of associates / JVs	46	31	92	46	20
Underlying (loss) / profit before tax	**(1,499)**	**(564)**	**921**	**1,201**	**560**
Non core items	(679)	44	(1)	31	(3)
Statutory (loss) / profit before tax	(2,178)	(520)	920	1,232	557
NIM	1.25%	1.84%	2.11%	2.19%	2.11%
Cost / income ratio	85%	58%	54%	53%	56%

[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[1]

Bank of Ireland Group

	Dec 12 (€bn)	Dec 13 (€bn)	Dec 14 (€bn)	Dec 15 (€bn)	Jun 16 (€bn)
Net customer loans[2]	93	85	82	85	80
Liquid assets	33	27	25	24	22
Other assets	9	6	7	6	8
Total Assets	**135**	**118**	**114**	**115**	**110**
Customer deposits	75	74	75	80	78
Wholesale funding	39	27	20	14	13
Private sources	*24*	*19*	*16*	*13*	*12*
Monetary Authority / TLTRO	*15*	*8*	*4*	*1*	*1*
Subordinated liabilities	2	2	2	2	2
Additional Tier 1 instruments	-	-	-	1	1
Other liabilities	10	7	8	10	8
Stockholders' equity	9	8	9	8	8
Total Liabilities & Stockholders' Equity	**135**	**118**	**114**	**115**	**110**
CET1 / Core Tier 1 ratio[3]	11.1%	10.0%	12.3%	13.3%	12.8%
Total Capital ratio[3]	12.1%	11.3%	15.8%	18.0%	17.2%
Loan to deposit ratio	123%	114%	110%	106%	103%

[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 2012 and under Basel III transitional rules for 2013 – 2016, all excluding 2009 Prefs

Income Statement

Divisional performance

Bank of Ireland Group

6 months ended Jun 16	Underlying profit / (loss) before tax and additional gains (€m)	Additional gains (€m)	Underlying profit / (loss) before tax (€m)
Retail Ireland	219	90	309
Bank of Ireland Life	54	-	54
Retail UK	89	5	94
Corporate & Treasury	191	65	256
Group Centre & Other	(150)	(3)	(153)
Group	**403**	**157**	**560**

6 months ended Dec 15	Underlying profit / (loss) before tax and additional gains (€m)	Additional gains (€m)	Underlying profit / (loss) before tax (€m)
Retail Ireland	239	7	246
Bank of Ireland Life	45	-	45
Retail UK	94	-	94
Corporate & Treasury	240	2	242
Group Centre & Other	(169)	-	(169)
Group	**449**	**9**	**458**

6 months ended Jun 15	Underlying profit / (loss) before tax and additional gains (€m)	Additional gains (€m)	Underlying profit / (loss) before tax (€m)
Retail Ireland	238	23	261
Bank of Ireland Life	58	-	58
Retail UK	99	-	99
Corporate & Treasury	236	159	395
Group Centre & Other	(116)	46	(70)
Group	**515**	**228**	**743**

Income Statement

Net interest income analysis

Bank of Ireland Group

	H2 2014			H1 2015			H2 2015			H1 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	38.2	617	3.21%	37.1	593	3.22%	36.8	589	3.17%	36.5	552	3.04%
UK Loans	34.0	638	3.72%	35.6	656	3.71%	36.4	661	3.60%	33.5	580	3.48%
C&T Loans	11.3	246	4.30%	11.9	253	4.31%	12.4	252	4.04%	12.6	253	4.05%
Total Loans & Advances to Customers	**83.5**	**1,501**	**3.56%**	**84.6**	**1,503**	**3.58%**	**85.6**	**1,502**	**3.49%**	**82.6**	**1,385**	**3.37%**
Liquid Assets	24.4	192[1]	1.56%	24.3	148[1]	1.23%	22.4	115[1]	1.02%	22.5	92[1]	0.82%
Total Interest Earning Assets	**107.9**	**1,693**	**3.11%**	**108.8**	**1,651**	**3.06%**	**108.0**	**1,617**	**2.97%**	**105.1**	**1,477**	**2.83%**
Ireland Deposits	22.9	(89)	(0.77%)	21.9	(48)	(0.44%)	22.0	(33)	(0.30%)	22.1	(26)	(0.24%)
Credit Balances[2]	18.0	(1)	(0.01%)	20.8	(1)	(0.01%)	22.4	(1)	(0.01%)	23.8	(1)	(0.01%)
UK Deposits	23.3	(158)	(1.34%)	25.9	(158)	(1.23%)	25.6	(161)	(1.25%)	24.6	(154)	(1.26%)
C&T Deposits	9.3	(45)	(0.97%)	8.8	(33)	(0.76%)	8.3	(27)	(0.65%)	7.7	(21)	(0.55%)
Total Deposits	**73.4**	**(293)**	**(0.79%)**	**77.5**	**(240)**	**(0.62%)**	**78.4**	**(223)**	**(0.56%)**	**78.2**	**(202)**	**(0.52%)**
Wholesale Funding	20.4	(113)	(1.10%)	18.1	(101)	(1.13%)	14.3	(72)	(1.00%)	13.6	(49)	(0.71%)
Subordinated Liabilities	2.5	(90)	(7.14%)	2.5	(91)	(7.34%)	2.4	(88)	(7.32%)	2.4	(91)	(7.72%)
Total Interest Bearing Liabilities	**96.3**	**(496)**	**(1.03%)**	**98.1**	**(432)**	**(0.89%)**	**95.1**	**(383)**	**(0.80%)**	**94.2**	**(342)**	**(0.73%)**
IFRS Income Classification		(26)			(29)			(54)			(33)	
Net Interest Margin	**107.9**	**1,171**	**2.15%**	**108.8**	**1,190**	**2.21%**	**108.0**	**1,180**	**2.17%**	**105.1**	**1,102**	**2.11%**
Average 3 month Euribor in the period			0.12%			0.02%			(0.06%)			(0.22%)
Average ECB base rate in the period			0.09%			0.05%			0.05%			0.02%
Average BOE base rate in the period			0.50%			0.50%			0.50%			0.50%

[1]Excludes any additional gains from portfolio re-configuration during the period
[2]Credit balances in H1 2016: ROI €19.5bn, UK €3.1bn and Corporate €1.2bn

Income Statement

Other income analysis (net)

	H1 2015 (€m)	H2 2015 (€m)	H1 2016 (€m)
Retail Ireland	167	164	156
Bank of Ireland Life	81	73	76
Retail UK	5	4	5
Corporate and Treasury	71	82	86
Group Centre and Other	(5)	(16)	(6)
Business Income	**319**	**307**	**317**
Other gains			
VISA Europe share disposal	-	-	95
Liquid asset portfolio rebalancing	171	2	54
Sale of investment properties / other assets	57	7	8
Other Valuation items			
Financial instrument valuation adjustments (CVA, DVA, FVA) and other	25	25	11
Economic assumptions – Bank of Ireland Life	0	4	25
Investment variance – Bank of Ireland Life	10	1	(6)
Fair value movement on Convertible Contingent Capital Note (CCCN) embedded derivative	(8)	(9)	(1)
IFRS income classification	(29)	(54)	(33)
Other Income	**545**	**283**	**470**

Income Statement

Non-core items

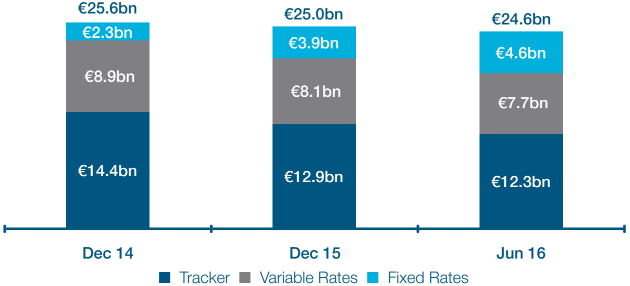
Bank of Ireland Group

	H1 2015 (€m)	H2 2015 (€m)	H1 2016 (€m)
Gain / (Charge) arising on the movement in Group's credit spreads	(8)	19	19
Gross-up for policyholder tax in the Life business	10	1	5
Investment return on treasury stock for policyholders	(1)	1	2
Loss on liability management exercises	(1)	-	(19)
Cost of restructuring programme	(18)	(25)	(10)
Gain on disposal of business activities	-	51	-
Impact of changes to pension benefits in the Group sponsored defined benefit schemes	3	1	-
Payments in respect of Career and Reward framework	(3)	1	-
Total non-core items	**(18)**	**49**	**(3)**

ROI Mortgages: €24.6bn

Bank of Ireland Group

ROI Mortgages (gross)



- Tracker volumes lower by €0.6bn since Dec 15; €2.1bn since Dec 14
- €11.3bn or 92% of trackers at Jun 16 are on a capital and interest repayment basis
- 75% of trackers are owner occupier mortgages; 25% of trackers are Buy to Let mortgages
- Loan asset spread on ECB tracker mortgages was c.37bps[2] in H1 2016, compared to Group net interest margin (including ECB trackers) of 211bps in H1 2016
- Average LTV of 74% on existing stock of mortgages at June 2016 (Dec 15: 76%)
- Average LTV of 71% on new mortgages in H1 2016 (Dec 15: 66%)[3]

Market share

	H1-15	H2-15	H1-16
New Lending Volumes[1]	€0.5bn	€0.9bn	€0.6bn
Market share	26%	31%	28%[4]

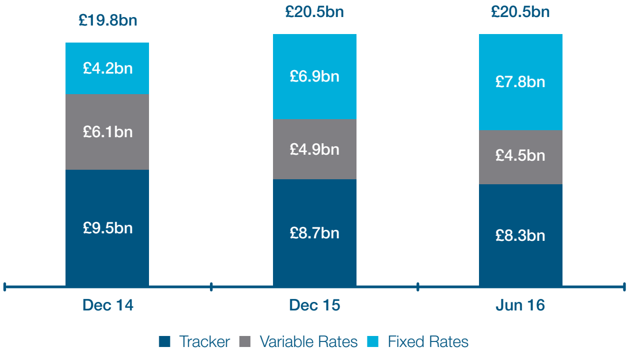
- We have a fixed rate led mortgage pricing strategy which we believe provides value, certainty and stability to our customers and to the Group
- Fixed rate products accounted for c.75% of our new lending in H1 2016, up from c.30% in 2014
- BOI does not sell through broker channel
- c.70% of customers that take out a new mortgage take out a life assurance policy through BOI Group
- c.50% 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 and €0.1bn in respect of mortgage portfolio acquisitions completed during H1 2016
[2]Average customer pay rate of 110bps less Group average cost of funds in H1 2016 of 73bps
[3]Note that the LTV on new business includes the impact of the acquired portfolios
[4]ROI mortgage market share for Q1 2016

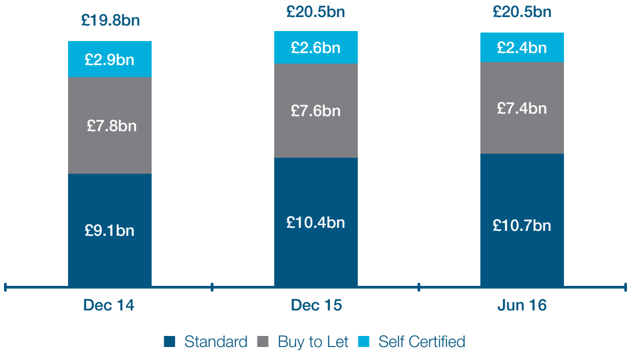
UK Residential Mortgages: £20.5bn/€24.8bn

Bank of Ireland Group

UK Residential Mortgages (gross)



UK Residential Mortgages (gross)



UK Residential Mortgages

- Average LTV of 62% on existing stock at H1 2016 (Dec 15: 63%)
- Average LTV of 69% on new UK mortgages in H1 2016 (Dec 15: 69%)

Asset Quality

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

Bank of Ireland Group

Composition (Jun 16)	ROI (€bn)	UK (€bn)	RoW (€bn)	Total (€bn)	Total (%)
Mortgages	**24.6**	**24.8**	**-**	**49.4**	**58%**
Non-property SME and corporate	**11.8**	**4.1**[2]	**4.4**	**20.3**	**24%**
SME	*9.2*	*2.0*	*0.0*	*11.2*	*13%*
Corporate	*2.6*	*2.1*	*4.4*	*9.1*	*11%*
Property and construction	**7.6**	**4.1**	**0.1**	**11.8**	**14%**
Investment property	*6.5*	*3.7*	*0.1*	*10.3*	*12%*
Land and development	*1.1*	*0.4*	*0.0*	*1.5*	*2%*
Consumer	**1.7**	**1.9**	**-**	**3.6**	**4%**
Customer loans (gross)	**45.7**	**34.9**	**4.5**	**85.1**	**100%**
Geographic (%)	54%	41%	5%	100%	

[1]Based on geographic location of customer

[2]Includes £1.0bn relating to GB business and corporate loan books, which BOI is required to run down under its EU approved Restructuring Plan

Non-performing loans by portfolio

Non-performing loans reducing across all portfolios

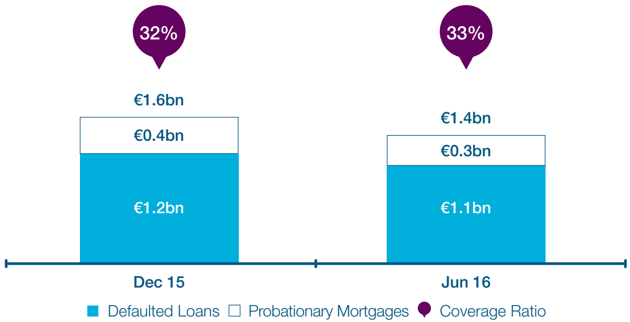
Bank of Ireland Group

Composition (Jun 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	**49.4**	**3.5**	**7.2%**	**2.3**	**4.7%**	**1.2**	**32%**	**48%**
- Republic of Ireland	24.6	2.6	10.7%	2.0	8.1%	1.1	40%	53%
- UK	24.8	0.9	3.7%	0.3	1.5%	0.1	8%	21%
Non-property SME and Corporate	**20.3**	**2.4**	**11.8%**	**2.4**	**11.8%**	**1.3**	**55%**	**55%**
- Republic of Ireland SME	9.1	1.8	20.0%	1.8	20.0%	1.0	53%	53%
- UK SME	2.1	0.2	8.8%	0.2	8.8%	0.1	50%	50%
- Corporate	9.1	0.4	4.2%	0.4	4.2%	0.2	62%	62%
Property and construction	**11.8**	**3.9**	**32.9%**	**3.9**	**32.9%**	**2.3**	**60%**	**60%**
- Investment property	10.3	2.7	26.4%	2.7	26.4%	1.4	54%	54%
- Land and development	1.5	1.2	78.9%	1.2	78.9%	0.9	75%	75%
Consumer	**3.6**	**0.1**	**3.3%**	**0.1**	**3.3%**	**0.1**	**106%**	**106%**
Total loans and advances to customers	85.1	9.9	11.7%	8.7	10.3%	4.9	49%	56%

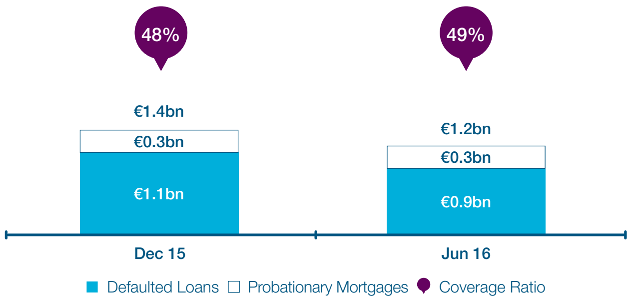
Composition (Dec 15)	Advances (€bn)	Non-performing loans (€bn)	Non-performing loans as % of advances	Defaulted loans (€bn)	Defaulted loans as % of advances	Impairment provisions (€bn)	Impairment provisions as % of non-performing loans	Impairment provisions as % of defaulted loans
Residential Mortgages	**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%**	**1.5**	**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%

ROI Mortgages: €24.6bn

Owner Occupied Non-performing loans



Buy to Let Non-performing loans



Portfolio Performance

- Reduced NPLs[1] by €0.4bn to €2.6bn in H1 2016
- Defaulted loans component of €2.0bn; down 49% since reported June 2013 peak
- Continued trend of probationary mortgages returning to performing status
- €22.6bn or 92% of mortgages at H1 16 are on a capital and interest repayment basis (Dec 15: 91%)
- Impairment credit of €71m in H1 2016 reflects ongoing improvement in portfolio performance
- Coverage ratio of 40% (Dec 15: 39%)
- 93% 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 (3.52%) at 38% of industry level[2] (Dec 15: 43%); BOI BTL arrears (8.78%) at 47% of industry level[3] (Dec 15: 56%)
- BOI OO arrears >720 days reducing and at 34% of industry level[4] (Dec 15: 37%); BOI BTL arrears >720 days reducing and at 37% of industry level[5] (Dec 15: 43%)

[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 March 2016, BOI owner occupied arrears level (based on number of accounts >90 days in arrears) was 3.52% compared to 9.28% for industry excl BOI
[3]At March 2016, BOI buy to let arrears level (based on number of accounts >90 days in arrears) was 8.78% compared to 18.74% for industry excl BOI
[4]At March 2016, BOI owner occupied arrears (based on number of accounts >720 days in arrears) was 1.89% compared to 5.62% for industry excl BOI
[5]At March 2016, BOI buy to let arrears (based on number of accounts >720 days in arrears) was 4.73% compared to 12.74% for industry excl BOI

Asset Quality

Available for Sale Financial Assets

Carrying Value	ROI €bn	UK €bn	France €bn	Other €bn	Jun 16 €bn	Dec 15 €bn
Sovereign bonds	1.9	0.7	0.8	1.3	4.7	**5.7**
Senior debt	-	-	0.2	1.4	1.6	**1.5**
Covered bonds	0.3	0.7	0.6	1.8	3.4	**2.2**
Subordinated debt	0.3	-	-	-	0.3	**0.3**
Asset backed securities	-	0.1	-	0.1	0.2	**0.4**
Total	**2.5**	**1.5**	**1.6**	**4.6**	**10.2**	**10.1**
AFS Reserve	0.4				0.4	**0.5**

Ireland

- AFS reserve reduced by €0.1bn in H1 2016, primarily due to bond sales during the period
- In June 2016, there was €1.5bn nominal value (€1.95bn fair value) of euro denominated Held to Maturity bonds with a carrying value of €1.9bn
- NAMA subordinated bond – €0.3bn nominal value, valued at 94% (Dec 15 – 96%)
- Separately, BOI holds €0.8bn of NAMA senior bonds (Dec 15: €1.4bn)

Other exposures

- Supra-national – €1.3bn
- Spain – €0.7bn
- Belgium – €0.6bn
- Netherlands – €0.4bn
- Sweden – €0.4bn
- Canada – €0.3bn
- Italy – €0.2bn
- Norway – €0.2bn
- Other – €0.5bn (all less than €0.1bn)

Capital

CET1 ratios – June 2016

Bank of Ireland Group

	Transitional ratio (€bn)	Fully loaded ratio (€bn)
Total equity	**8.7**	**8.7**
Less Additional Tier 1	(0.8)	(0.8)
Deferred tax[1]	(0.3)	(1.3)
Pension deficit	0.4	-
Available for sale reserve	(0.3)	-
Removal of national filters	(0.1)	-
Intangible assets and goodwill	(0.5)	(0.5)
Other items[2]	(0.4)	(0.6)
Common Equity Tier 1 Capital	**6.7**	**5.5**
Credit RWA	43.1	43.1
Operational RWA	4.8	4.8
Market, CVA and other RWA[3]	4.1	3.9
Total RWA	**52.0**	**51.8**
Common Equity Tier 1 ratio	**12.8%**	**10.7%**

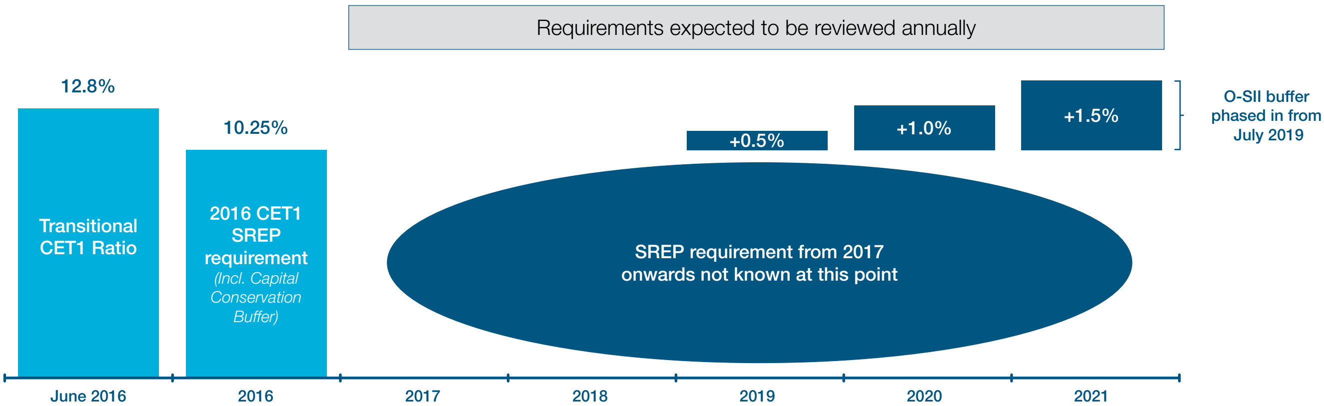
CRD-IV phasing impacts

- Deferred tax asset – certain DTAs are deducted at phased rate of 20% from 1 Jan 2016
- Pension deficit – Basel II addback is phased out at 60% in 2016, increasing by 20% per annum thereafter
- Available for sale reserve – non-sovereign unrealised losses and gains are phased in 60% in 2016, increasing by 20% per annum thereafter. The Group has opted to maintain its sovereign filter on both gains and losses on exposures to central governments classified in the "available for sale" category
- In March 2016, the ECB published a new regulation on options and discretions which comes into force on 1 October 2016. These regulations include an increase in the phase in of the DTA deduction (negative 50bps) and the removal of the sovereign filter (positive 40bps). If these changes were implemented at 1 July 2016, the pro forma transitional CET1 ratio would reduce from 12.8% to 12.7%

[1]RWA impact includes a 250% risk weighting applied to deferred tax assets due to temporary differences
[2]Other items – the principle items being the cash flow hedge reserve and 10% /15% threshold deduction
[3]Other RWA includes RWA relating to non-credit obligations / other assets and RWA arising from the 10/15% threshold deduction

Regulatory Capital Requirements

Bank of Ireland Group



Minimum Regulatory Capital Requirement

- 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
- The CBI (ROI) and FPC (UK) have set the countercyclical buffer (CCyB)[2] at 0%

Capital Guidance

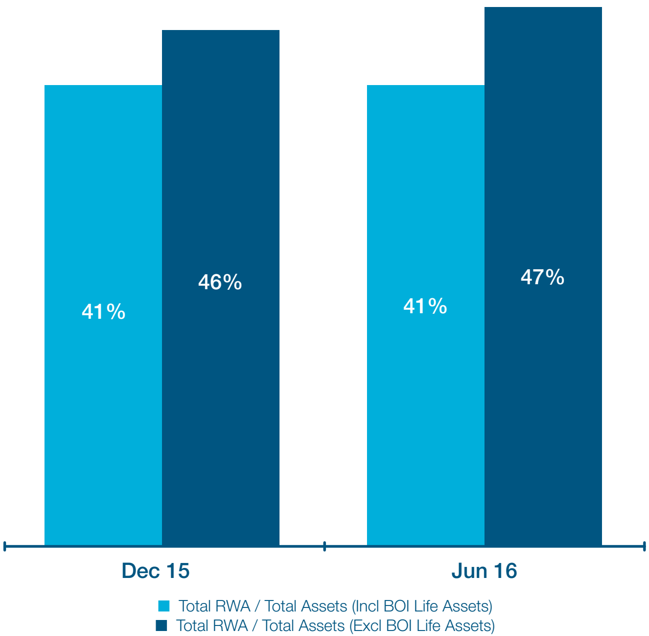
- EBA stress test result will be an input into the 2017 SREP requirement
- The Group expects to maintain sufficient capital to meet, at a minimum, applicable regulatory capital requirements plus a management buffer

[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)

Risk weighted assets (RWA)

Bank of Ireland Group

RWA Density[1]



Customer lending Avg. Credit Risk Weights[2]

As at June 2016 (Based on regulatory exposure class)

	EAD[3] (€bn)	RWA (€bn)	Avg. Risk Weight
ROI mortgages	25.0	6.6	26%
UK mortgages	24.3	5.0	20%
SME	21.2	14.7	69%
Corporate	12.7	12.8	101%
Other Retail	4.3	2.6	60%
Total customer lending	**87.4**	**41.6**	**48%**

Total Credit RWA

- IRB approach accounts for:
  - 77% of credit EAD (Dec 2015: 75%)
  - 81% of credit RWA (Dec 2015: 81%)

[1]RWA density calculated as Total RWA / Total balance sheet assets as at June 2016
[2]Data sourced from the Group's regulatory reporting platform. EAD and RWA include both IRB and Standardised approaches. Comprises both non-defaulted and defaulted loans
[3]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	439
Available for sale (AFS) reserve movements	(81)	(148)
Distribution on other equity instruments – Additional Tier 1 coupon	-	(55)
Dividends on preference stock	(257)	(4)
Remeasurement of the net defined benefit pension liability	91	(394)
Foreign exchange movements	255	(355)
Cash flow hedge reserve movement	(45)	108
Other movements	13	-
Ordinary Stockholders' equity at end of period	**8,308**	**7,899**

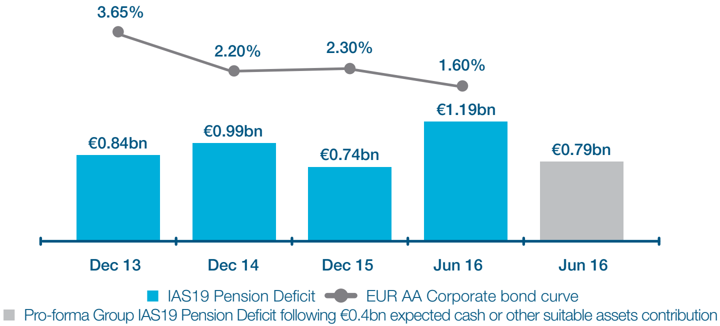
Tangible net asset value

	Dec 15 (€m)	Jun 16 (€m)
Ordinary stockholders' equity at end of period	**8,308**	**7,899**
Adjustments:		
Intangible assets and goodwill	(509)	(526)
Own stock held for benefit of life assurance policyholders	11	9
Tangible net asset value (TNAV)	**7,810**	**7,382**
Number of ordinary shares in issue at the end of the period	**32,363**	**32,363**
TNAV per share (€ cent)	**24.1c**	**22.8c**

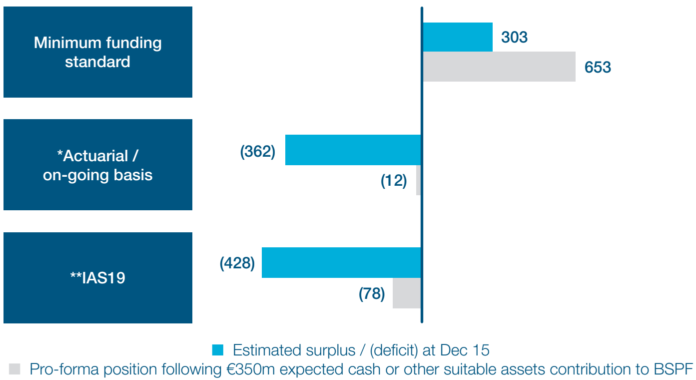
Defined Benefit Pension Schemes

Bank of Ireland Group

Group IAS19 Pension Deficit



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



- Group IAS19 pension deficit of €1.2bn at Jun 16 (€0.74bn at Dec 15)
- Primary drivers of the increase in the deficit were
  - Euro and UK AA corporate bond discount rates decreased from 2.3% to 1.6% and 3.8% to 2.75% respectively, partly offset by
  - Long term ROI and UK inflation rate expectation decreasing from 1.6% to 1.3% and 3.3% to 2.85% respectively, and
  - Group pension scheme asset returns of €379m
- There is a further €400m of deficit reducing contributions expected to be made between 2016 and 2020 (€350m to BSPF)
- 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
  - Allowing for the remaining deficit reducing contributions, the overall Group IAS 19 deficit would have been c.€0.8bn at Jun 16
- IAS19 requires that the rate used to discount Defined Benefit 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 the c.22 year duration and those bonds tend to be relatively illiquid
- In addition to the IAS19 accounting valuation, the funding position of the main BSPF scheme is also measured under the Minimum Funding Standard basis and the Actuarial / on-going basis. Estimated valuations on both of these measures showed a stronger funding position than IAS19 at Dec 15 for main BSPF scheme

*Triennial actuarial valuation currently in progress
**BSPF IAS19 deficit at June 16 was €693m

[1]BSPF represents approx. 75% of the overall Group Defined Benefit liabilities

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 and extended to smaller schemes in 2014 and 2015
- A Defined Contribution ('DC') scheme was introduced in 2014 for new hires and existing hybrid Life Balance scheme closed
- An enhanced transfer value exercise is under consideration for the BSPF scheme in H2 2016

2 Increase Assets

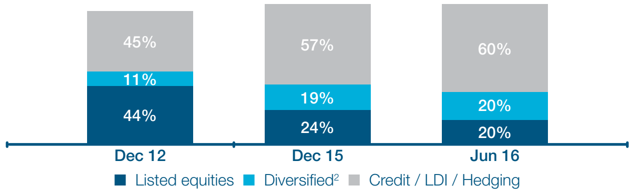
- >€750m of deficit-reducing contributions made since 2010; further €400m expected to be made across Group schemes between 2016 and 2020
- BSPF asset returns of c.10.5% p.a. were achieved over 3 years to end Jun 16 despite market volatility

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. allocation to private infrastructure
- The €150m BSPF deficit reducing contribution in December 2015 was invested in the LDI portfolio in January 2016
- Group has supported the Trustees of BSPF scheme in their decision to extend the level of sterling interest rate and inflation hedging to 60% in 2016

- 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% in 2016
- Continuing programme to better match asset allocation with the nature and duration of liabilities

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



Group Schemes Asset & Liability Sensitivities Jun 16

Sensitivity of scheme assets is:

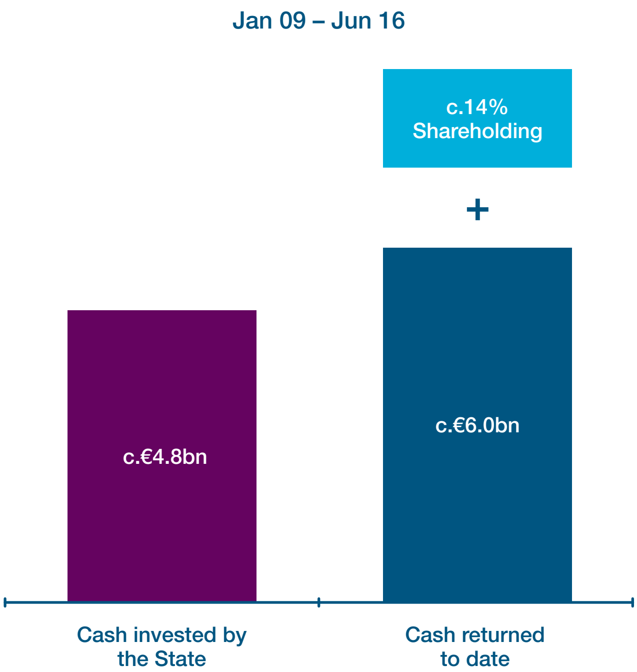
	Change	Impact on plan assets increase / (decrease)
Fall in global equity markets with allowance for other correlated diversified asset classes	5.00% decrease	(€120m)
Sensitivity of liability-matching assets to a 10bps movement in interest rates	0.10% decrease	€60m

Sensitivity of IAS19 liability is:

IAS19 Liability	Change	ROI Schemes	UK Schemes
Discount Rate	25bps decrease	€376m	€80m
Long Term Inflation	10bps decrease	(€95m)	(€20m)

[1]Graphs shows BSPF asset allocation which is representative of the Group schemes overall
[2]Diversified category includes infrastructure, private equity, hedge funds and property

Reimbursing and rewarding taxpayers support



- State Aid repaid
- Risk to the State dealt with - ELG expired
- 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
- In H1 2016, BOI paid taxes of €94m and collected taxes of €487m 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 and capital;
- 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 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 risk;
- 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.