Bank of Ireland Group plc (together with its subsidiaries, the ''Group'')

Update on ECB Supervisory Review and Evaluation Process

19 December 2017

The Group has been notified of the European Central Bank's final decision on the Group's own funds requirements applicable from 1 January 2018 following the 2017 Supervisory Review and Evaluation Process (''SREP'') and the overall outcome is in line with the current year.

The Group is required to maintain a Common Equity Tier 1 ("CET 1") ratio of 8.625% on a transitional basis from 1 January 2018. This includes a Pillar 1 Requirement of 4.50%, an unchanged Pillar 2 Requirement of 2.25%, and an increase of 0.625% in the Capital Conservation Buffer to 1.875% (reflecting a further year's phase-in). The Group's Pillar 2 Guidance, which is not disclosed, has been adjusted such that the overall capital requirement from the ECB (i.e. inclusive of the Pillar 2 Guidance) is in line with the current year. The Pillar 2 Guidance is not relevant for the Maximum Distributable Amount (MDA).

This requirement compares to the Group's reported transitional CET 1 ratio of 14.7% at the end of September 2017.

Ends

For further information please contact:

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Appendix – Additional Information

ECB SREP Requirements for 2018	
Pillar 1 - CET1	4.50%
Pillar 2 Requirement (P2R)	2.25%
Capital Conservation Buffer (CCB)	1.875%
Total CET1[(i) (ii) (iii)] / MDA Trigger [(ii) (iii)]	**8.625%**
Pillar 1 - Tier 1	1.5%
Total Tier 1	**10.125%**
Pillar 1 - Tier 2	2.0%
Total Capital	**12.125%**

(i) Does not include Pillar 2 Guidance, which is not disclosed in accordance with regulatory preference

(ii) Excludes Other Systemically Important Institutions Buffer (O-SII) which commences phase-in at 0.5% per annum from July 2019 (increasing to 1.5% by July 2021)

(iii) Excludes the expected impact of the UK Countercyclical Buffer (CCyB) of c.0.15% applicable from 27 June 2018, rising to c.0.3% from 28 November 2018. The expected impact reflects the phase-in of the UK CCyB to UK exposures as announced by the Financial Policy Committee on 28 November 2017 and applied in proportion to UK risk weighted assets (RWA) in the Group's balance sheet.

Forward Looking Statement

This announcement contains certain forward-looking statements with respect to certain of the Group's 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, 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, estimates of capital expenditures, discussions with Irish, United Kingdom, European and other regulators and plans and objectives for future operations.

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