ANNUAL RESULTS PRESENTATION

3rd March 2014

Group Chief Executive's Review: Richie Boucher - Group CEO

Good morning everyone and welcome to our Results Presentation for the year ended 31 December 2013.

Thank you to those of you who have joined us here in Dublin and those who are joining us by conference call and webcast.

I will give a short presentation and I will be followed by Andrew Keating, our Group CFO, who will provide a more detailed review of our financial performance.

I will then sum up our priorities as we look forward.

Slide 2: Business Highlights

2013 was a year of further substantial progress for Bank of Ireland.

Coming into 2013, we had a number of objectives.

We have delivered against these objectives and substantially enhanced the value of the Group and its franchises.

- We strengthened the Group's Strategic position by retaining New Ireland. New Ireland is the number two provider in the pensions, life and investment market in Ireland and is part of our very strong bancassurance model.
- We addressed the "step up" feature of the 2009 preference shares through our Capital package in December. This was a key focus for both Investors and the Group during 2013. This successful package was agreed with the Central Bank and the Irish State and ensured that we have avoided the €460m redemption penalty, which would otherwise have applied.
- The Capital Package also helped us achieve another major objective, that of repaying and rewarding the State and the taxpayer for their support and investment. State aid has now been reimbursed.
- We safely managed the ELG expiry, which had significant P+L benefits for us and also materially reduced the risk to the taxpayer.
- We achieved a net interest margin of more than 2% in the second half of the year, notwithstanding the low interest rate environment

- We have continued to maintain strong cost discipline, successfully managing major redundancy and change programmes, while continuing to invest in our people, our businesses and our infrastructure
- We accessed funding markets across all levels of our capital structure and the cost of our debt issuance continues to fall.
- On asset quality, our defaulted loan volumes are €1.2 billion lower than June 2013. We have seen improvement across all major loan categories. Our loan portfolios continue to perform in line with our expectations.
- We have carefully addressed the observations from the Central Bank's Balance Sheet Assessment in our 2013 results and in our capital ratios.
- We have agreed with staff members a solution to reduce the deficit of the principal Group sponsored defined benefits pension scheme and the IAS 19 pension deficit has been reduced by approximately €0.4 billion, which has immediate Basel III capital benefits.
- Our capital ratios are meeting our internal planning targets and are above regulatory requirements. Our Basel III CET1 ratio was 12.3% on a transitional basis as at 1 January 2014.

Our progress in addressing all of these issues is reflected in our financial results.

Our underlying performance has improved by almost a billion Euro in 2013.

We are profitable and generating capital in 2014.

Slide 3: Financial Highlights 2013

We are rebuilding our underlying earnings power.

Our pre-provision operating profit was €685m in the second half of 2013. This was almost double that recorded in the first half.

We achieved a Net Interest Margin of more than 2% in the second half of 2013.

Defaulted loans are now reducing. They have fallen by €1.2bn since June 2013, which is the first reduction in recent years. I regard this as being very significant. The reduction is across all our major loan categories and is a function of our actions and support for customers who are in financial difficulty. It also reflects the improved economic climate in our main markets and the recovery in their property markets.

The H2 impairment charge of €885m reflects:

- the reduction in defaulted loan volumes since June 2013;
- the improvements, which are evident in macroeconomic and property markets; and
- our careful consideration of the Central Bank's observations from the BSA as at 30 June 2013.

Looking forward, we expect impairment charges to reduce from current elevated levels to more normalised levels as the Irish and UK economies continue their recovery.

Our underlying loss before tax continued to fall materially.

Even after taking account of our considerations of the AQR, our underlying loss reduced to €186m in the second half of last year.

And, as I said earlier, we are now profitable and generating capital.
Slide 4: Reimbursing and rewarding the taxpayers support

Over the past 4 years, a clear objective has been to reduce the risk to the State of any support for Bank of Ireland and to reward and repay the State for its investment in the Group.

Between 2009 and 2011, the State invested €4.8 billion in the Group. We are grateful for the support we received from taxpayers.

At this stage, approximately €6 billion in cash has been returned to the State. It is right and appropriate that taxpayers have got back their investment in Bank of Ireland, with a cash profit achieved.

In addition, the State continues to own, at its discretion, a valuable c. 14% equity shareholding in the Group.

The Irish State is also an important customer of the Group and we hold significant investments of €6.1 billion in Irish Government bonds.

Slide 5: Economic environment

Economic conditions have improved over the past year.

Growth in the Irish economy has been improving slowly during 2013 and GDP is projected to have risen by 0.3% during the year. Importantly, domestic demand has contributed to this growth, for the first time since 2007. Growth is projected to increase significantly, to over 2% in 2014.

The Irish labour market continues to improve. The unemployment rate, while still high, has improved to 12.1% at year end, down from over 14% a year earlier. More importantly, there are 60,000 more people working today than a year ago.

The Irish property markets are also recovering. Nationally, residential property prices rose over 6% in 2013, the first increase since 2007. We have also seen an improvement in commercial property markets. There continues to be strong appetite from international and more recently domestic investors for Irish property assets.

In our other main market, the UK, the economy has performed robustly in 2013 with the recovery strengthening over the course of the year. GDP, which grew every quarter in 2013, has expanded by almost 2%, the fastest pace of growth since 2007.

In summary, while there are still challenges, the outlook for the Irish and UK economies is looking better than for some time

Slide 6: Strong franchise positions

We have strong franchise positions.

In Ireland, we are the leading bank in a consolidating market.

During 2013, we provided about 4 out of every 10 new mortgages and we provided over half of all new non-property SME lending.

We have a strong multi-channel distribution network.

We have been investing heavily in our payments, mobile, e-banking and digital delivery infrastructure. Over 600,000 of our Irish customers are already actively using our online services and over 300,000 customers are actively banking via our mobile app. We have improved the capability and functionality of these platforms, which has enhanced our customers experience and reduced our cost to serve.

Another important component of our strategy is having a viable and vibrant branch network in centres of commerce throughout Ireland. We are rolling out a new branch model, which is designed to make it easier for customers to do business with us and is more cost efficient. To date, we have upgraded over 70 branches, with further upgrades and some new branch locations planned for 2014.

Our Corporate and Treasury business continues to gain market share and our New Ireland business continues to perform well.

Slide 7: Strong franchise positions – International diversification

We also have strong international franchises.

The relationship with the UK Post Office continues to develop well. The range of financial services being offered through the Post Office’s extensive network continues to grow. During 2013, we invested in and enhanced our mortgage offering and we are testing a current account proposition with customers. The Post Office is also investing significantly in the partnership by revamping the areas in its network designated for financial services and through the appointment of further specialist financial advisers. Our foreign exchange joint venture has maintained its leading position in retail foreign currency in the UK and has expanded its product range to reflect changing customer demand.

Our Northern Ireland Motor Finance business continues to deepen its relationship with customers and has delivered a strong financial performance and our full service bank continues to perform in line with our expectations.

Our international Leveraged Acquisition Finance business continues to generate healthy returns on capital and a number of new mandates were won and transactions concluded during the year.

Slide 8: Supporting and benefitting from the Irish economic recovery

We continue to support and benefit from the recovery of the Irish economy.

We are receiving more than 1,000 credit applications per week from SMEs in every sector of the economy. We are approving more than 85% of these applications. In total, we approved €4 billion of credit facilities for SMEs in 2013. Bank of Ireland is providing more than 50% of all new non-property loans to Irish SMEs.

It is a similar story in mortgages. We are receiving more than 1,000 mortgage applications per month. Last year, in total, we approved €2.2 billion in mortgage facilities for our customers. Put another way, in terms of loans drawn-down, for every 10 new mortgages in the country, Bank of Ireland is providing about 4 of them.

Our Corporate banking business continues to support customers, particularly those seeking a long term banking partner as the Irish banking market consolidates and we have continued to strengthen our existing relationships.

Our ambition is to provide over €30 billion of new lending to Irish businesses and consumers in the period 2013 to 2017 inclusive.

Slide 9: Targets

These are the financial targets we set for ourselves at the time of the 2011 capital raise.

At this stage, we have delivered our balance sheet targets. Loans and advances, at €85 billion, are lower than our target level, partly as a result of foreign exchange impacts. Our original target in 2011 was to deleverage our loan book from €114 billion to €90 billion. We have achieved this target, ahead of time and below the assumed cost. However, repayments have been higher than envisaged and there has been a lag between improved consumer sentiment and increased credit appetite. Notwithstanding this, our strong franchises combined with the improving macro-economic conditions give us confidence that we can profitably grow our balance sheet in the medium term.

On profitability, we have achieved a net interest margin of greater than 2% target, notwithstanding the low interest rate environment.

We are well on track to achieve our target cost income ratio. Cost disciplines are embedded and continue to receive major focus as we invest in our businesses, people and infrastructure.

Non-performing loans are reducing. We remain confident that the impairment charges trajectory is moving in the right direction towards our target.

I will now hand over to Andrew to take you through the financial results in more detail.

Group Income Statement: Andrew Keating - Group Chief Financial Officer

Thank you Richie.

Good morning everyone.

I'll begin by reviewing the Group Income Statement highlighting the further substantial progress that we've made during 2013.
I'll then provide an update on our asset quality our balance sheet and our capital ratios.
Starting with the Group's Income Statement.
Slide 11: Group Income Statement
In 2013, we improved our underlying performance by €930 million.
We increased Total Income by42% compared to 2012.
We achieved this:-
By growing our Net Interest Margin by 59 basis points…
By increasing our fees and other income, and
By safely managing the expiry from the ELG scheme.
We continued to tightly manage all of our costs and reduced our operating expenses by a further €57 million.

Together, these actions increased our Operating Profit Pre-Impairment by €841 million that's a four fold increase over 2012.
Impairment charges in 2013reduced by €104 million over the prior year.
Amongst other things that charge reflects our consideration of the Central Bank's observations from the AQR.
Non-core items include the gain from the change in pension benefits the impact of credit spread movements and some restructuring and redundancy costs.

Looking at our momentum.

Slide 12: Income Statement momentum

Last year at the time of our full year results and again at the interim results I highlighted that all line items and key financial metrics had improved.
In the second half of last year that momentum continued
We are rebuilding our earnings power and, in 2014 the Group is profitable.

Slide 13: Divisional Analysis

That momentum is also evident on a divisional basis.
Retail Ireland,
Retail UK,
Bank of Ireland Life (which includes New Ireland), and
Corporate & Treasury

….are all improving their operating performance.
Of particular note is the performance of our Retail franchisesin Ireland and the UK.
Taken together these two Divisions increased their underlying performance by almost half a billion euros in 2013.
I will now providemore detail on the key components of our Income Statement starting with our Net Interest Margin.

Slide 14: Net Interest Margin
In 2011, we set a medium term target for the Group to grow our Net Interest Margin to greater than 2%.
Despite the low interest rate environment, we've now achieved that target.

We did this:

by focusing on re-pricing our loan and deposit portfolios

by more efficiently managing our balance sheet; and

by achieving higher lending margins for new business.

Having achieved that milestone, further expansion of our Net Interest Margin will primarily reflect the volume of new ending where we are achieving higher margins and future official interest rate increases, over the medium term.

Turning to Interest Earning Assets.

Slide 15: Interest Earning Assets

Over the last three years in line with our strategy and our commitments to our stakeholders we've successfully deleveraged our balance sheet.
At the end of 2013, our loan assets were €85 billion.

We are actively pursuing opportunities to grow our loan books leveraging our strong brand, franchise and distribution and by pursuing opportunities from the liquidating and exiting banks here in Ireland where that's appropriate and attractive.

Overall, the pace of decline in average loan assets is slowing.
While loan assets may decline modestly in the near term we expect to achieve our medium term target as our main markets continue to recover.

Slide 16: ELG Fees

ELG fees were €129 million in2013.
That's a reduction of €259 million or 67% from 2012.
There will befurthersubstantial reductions in these fees in 2014 and 2015.

Moving to operating expenses.
Slide 17: Operating Expenses

We remain focused on tight cost control and in 2013, we reduced our cost base by a further €57 million.
This improvement reflects our actions to reduce staff and other costs by €120 million which was partly offset by an increase in pension costs of €63 million.
Over the past 18 months we reduced our staff numbers by about 2,000 people leading to a reduction of €80 million, or 10% in staff costs in 2013.
We reduced other costs by €40 million or 5% through the reconfiguration of our premises and other infrastructure and through the renegotiation of our outsource contracts.

The increase in Pension Costs primarily reflects the change in accounting standards which I I signalled last year.

We are continuing to invest in:
our people…
our core franchises, and,
our infrastructure

In the second half of last year our cost income ratio was 53% and looking forward our cost base has significant operating leverage.

Slide 18:Asset Quality cover page

Turning to Asset Quality.

Slide19: Loans and Advances to Customers - €93bn
Total Customer Loans before impairment provisions were €93 billionat December 2013.
Our assets are broadly balanced by portfolio and by geography.

Slide 20: Defaulted Loans and Impairment Charges

On Asset Quality we reduced the level of defaulted loans by €1.2 billion since June.
This improvement is occurring across all major asset classes.
The impairment charge in the second half of the year was €885 million and took into account a number of factors, including:
The risk profile of our loans and in particular, the reduction in defaulted loans in the second half

The improving macro-economic environment
The recovery in the property markets and collateral values, and a detailed consideration of the observations from the AQR.
Looking forward we expect the decline in defaulted loan volumes to continue and we expect impairment charges to fall from their current elevated levels to more normalised levels as the economies recover.
I'll now provide an update on the credit quality of each of our portfolios starting with our Irish Mortgages.

Slide 21: ROI Owner Occupied Mortgages – €20.4bn

Our owner occupied mortgage book was c.€20 billion at December and 9 out of 10 of our mortgage accounts are up-to-date.
We reduced the value of defaulted loans by €36 millionin the second half of last year.
This is the first such reductionin 5 years.
On a relative basis our level of default arrears is around half the level of the industry ex Bank of Ireland.
Our provisioning assumptions continue to accommodate a 55% peak-to-trough reduction in house prices compared with 46% at December.

On forbearance and restructuring
We are rolling out effective solutions, which are working for our customers and for the Group
Our customers are meeting the terms of those new arrangements
And we are achieving all of our targets in this regard.

Moving to the Irish Buy-to-Let Mortgage book.

Slide 22: ROI Buy-to-Let Mortgages: €6.3bn

As with the owner occupied book, we see positive signs in the external market.
Private sector rents are increasing and nationally, they were up7%last year.
In terms of performance, 8 out of 10 of our Buy-to-Let accounts are up-to-date, and the pace of growth in arrears continues to decline.

Moving to the UK.

Slide 23: UK Residential Mortgages: £21bn / €25bn

At December, our UK Residential book was21 billion pounds and represented about 30% of our total loan book.
The UK economy continues to strengthen.
House prices and rents are continuing to increase employment is rising and the overall economic outlook is becoming more favourable.
Our residential mortgage book continues to perform strongly it's in line with our expectations and it's better than the industry average.

Slide24: SME and Corporate Loans: €21bn

In our SME and Corporate loan portfolios, asset quality is improving.
In Ireland, our SME portfolio was €10 billion at December.
While challenges remain we are seeing emerging signs of improvement across a range of sectors in the Irish economy.
The level of defaulted loans has fallen since June.
At this stage, we've agreed end state strategies with 9 out of 10 of our challenged customers.
In the UK, our SME portfolio amounts to 2 billion pounds and the level of defaulted loans has remainedstable.
Our Corporate loan portfolio was €8 billion at December.
Through our actions we've reduced defaulted loans in this book by half a billion euros since June.
Turning to Property and Construction.

Slide25: Property & Construction: €16.8bn
Our Investment Property portfolio was€13.6 billion at December.

This portfolio is balanced geographically about half of the assets are in the Republic of Ireland and half are outside ROI.
The portfolio is also diversified across sectors, albeit with a Retail focus.
In Ireland we continue to see increased liquidity in the commercial property markets reflecting the ongoing international and emerging domestic demand for assets.
We are also seeing positive trends in rents and asset values.
In the UK London and the South East continue to perform well and there is growing confidence in real estate markets outside London.
The Land and Development portfolio amounted to €3.2 billion at December. 89% of this portfolio is impaired, and it has a coverage ratio of 68%.

Slide 26: Asset Quality Summary

Before I move on, I will summarise the key aspects of asset quality:
We've reduced the level of defaulted loans by €1.2 billion since June

The impairment charge in the second half includes amongst other things a detailed consideration of the AQR observations

Going forward we expect impairment charges to fall from the current elevated levels to more normalised levels as the economies recover.
Turning to Funding and Capital.

Slide 27: Funding and Capital Cover
Slide 28: Balance Sheet

We've restructured and transformed our balance sheet over the last 3 years.
In 2010, deposits made up less than half of our total funding.
We had €70 billion of wholesale funding, about half of which came from the ECB.
And our loan to deposit ratio was 175%.
Today it's very different.

Customer deposits make up the substantial majority, that's
over 70%, of our funding base.
We've reduced our requirement for wholesale funding by over 60%- that's over €40 billion including the repayment of€25 billion to the ECB.
As a consequence, we've improved our loan-to-deposit ratio to 114%.

Stepping back we've completed the restructuring of our balance sheet and we have the capital, liquidity and infrastructure to profitably grow our loan books.

Slide 29: Deposits

Turning briefly to deposits ….
Bank of Ireland is substantially a retail deposit funded institution.
Over 85% of our loans are funded by our stable pools of customer deposits.
In Ireland, we increased our deposit volumes by €1 billion during 2013
In the UK we reduced our deposit volumes in line with our planned strategy to manage the liquidity positionofour UK subsidiary.
Moving to wholesale funding.

Slide 30: Wholesale Funding

Last year, we reduced our Wholesale Funding to €12 billion.
The year end figure of €27 billion included€8billion of Monetary Authority drawings half of which relates to NAMA senior bonds.
Our private market funding was €19billion at December 60%has a residual term to maturity of greater than 1 year.
As such, the refinancing requirement from unsecured maturities is very low and manageable.

Slide 31: Access to Capital and Funding Markets

As you can see over the past year or so we've demonstrated consistent access to the funding markets right across the capital structure.
During that time we raised €3.0billion of senior secured debt and €1.25 billion of senior unsecured debt.
The Co-co'sand 2009 preference shares were sold to the private sector, and we successfully issued €0.6billion of Common Equity.
The cost of issuance has also reduced substantially during this time and reflects the progress we've made in strengthening the Group
To illustrate this, In November 2012, we issued a covered bond secured on Irish mortgages with a 3 year maturity and a cost of 270 basis points over mid swaps.
A year later we issued a similar instrument with the same collateral a slightly longer maturity and the cost was 150 basis points lower.
Turning now to Capital.

Slide 32: Capital

In the second half of 2013 the Central Bank conducted its Balance Sheet Assessment or AQR this was a point in time exercise as at 30th June.

In our announcement in December we explained that there were 3 components to the AQR.

All of these components have now been addressedand reflected in our published capital ratios.
The first component related to the treatment of the expected loss adjustment.
In line with our previous expectations we incorporated this updated treatment at the year end.
The second element related to risk weighted assets.
Following recent engagement with the Central Bank the adjustments from the AQR have been applied in our year-end capital ratios.
The third component related to impairment provisions.
As I've said already, our full year impairment charge, takes account of this among other factors.
Having addressed the AQR our capital position remains robust.
Our Common Equity Tier 1 Ratio was 12.3% and that's using the transition rules at 1 January 2014.
On a fully loaded basis, our CET1 ratio was 9% that's an improvement from 8.6% at 30 June.
Going forward, we continue to expect to maintain a buffer above a CET1 ratio of 10% on a transitional basis.

So to re-cap

Slide 33: Summary

2013 was a year of significant progress for Bank of Ireland.
We improved the underlying performance of the Group by almost a billion Euros.
And as we start 2014, we are now profitable and generating capital.

Richie will now elaborate on our priorities for 2014 and beyond.

Thank you.

Group Chief Executive's Review: Richie Boucher - Group CEO

Slide 35: Recap on progress

Before I outline our priorities for 2014 and beyond, I'm going to recap on the progress that we have delivered.

Three years ago, we had a range of strategic objectives. We have achieved all of these objectives.

We have completed the restructuring of our Balance Sheet:

- We have transformed the profile, availability and cost of our funding.
- On asset quality, defaulted loans are now reducing. They are down more than €1 billion since June.
- We have successfully implemented a solution to deal with deficits in our sponsored defined benefit pension schemes; and
- We have addressed the "Step-up" feature of the 2009 Preference Shares and strengthened our capital position.

We have safely managed the expiry of the ELG scheme and taxpayers investment and support has been repaid and rewarded, with a cash profit achieved.

We have confirmed the strategic shape of the Group and continue to substantially improve its earnings power:

- We retained our profitable New Ireland business.
- We completed the necessary balance sheet deleveraging ahead of time and below the assumed cost.
- We have achieved a net interest margin of greater than 2%; and
- We have reduced costs by over half a billion Euros since 2008, with a cost/ income ratio of 53% in H2 2013

We are now profitable and generating capital.
Slide 36: Priorities for 2014 and beyond

Our focus is now on the next stage in the Group's development. We have a clear set of priorities.

First and foremost, our focus is on continuing to develop long term relationships with existing and new customers, leveraging the strength of our brand, our franchises and our distribution.

We are simplifying our products and processes and are enhancing our customer service. Our ongoing investments in infrastructure and distribution platforms are improving our customers' experience and supporting greater efficiencies.

Our priority is to significantly grow our profitability and to generate strong and sustainable returns for shareholders, building on the significant momentum already underway.

- A key contributor will be reducing the current elevated impairment charges to normalised levels.

- Meeting our net interest margin objectives and rebuilding the size of our loan book are also important. With our strong franchise positions and with economic conditions improving, we are confident that we can reach our targeted loan book size in the medium term.

Continuing to effectively manage the evolving regulatory environment remains an important priority for the Group.

We have been generating capital since the beginning of 2014. This capital is being prioritised towards the planned de-recognition of the remaining €1.3 billion 2009 Prefs during 2016.

Thereafter, our ambition will be to progress to dividend payment capacity.

I am very grateful to my colleagues throughout the Group who, despite the many challenges we have faced, have remained resilient, committed and focused.

My colleagues and I must, and will, continue to maintain this focus as we strive to reward our shareholders for their confidence in the Group.

We are confident in the Group's prospects and in our ability to deliver strong and sustainable returns to our shareholders.

Thank you.

Andrew and I will now take questions.

Move to Slide 37 for Q&A.