Interim Results

30 June 2013

Bank of Ireland

For small steps, for big steps, for life

Forward-looking statement

Bank of Ireland Group

This document contains certain forward looking statements within the meaning of Section 21E of the US Securities Exchange Act of 1934 and Section 27A of the US Securities Act of 1933 with respect to certain of the Bank of Ireland Group's (the Group) plans and its current goals and expectations relating to its future financial condition and performance, the markets in which it operates, and its future capital requirements. These forward looking statements 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. 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, future payment of dividends, the implementation of changes in respect of certain of the Group's defined benefit pension schemes, estimates of capital expenditures, discussions with Irish, UK, 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:

- concerns on sovereign debt and financial uncertainties in the EU and in member countries and the potential effects of those uncertainties on the Group;
- general economic conditions in Ireland, the UK and the other markets in which the Group operates;
- the ability of the Group to generate additional capital if required;
- changes in applicable laws, regulations and taxes in jurisdictions in which the Group operates particularly banking regulation by the Irish and UK Government together with any changes arising on foot of the Euro Area Summit Statement on 29 June 2012;
- the impact of further downgrades in the Group's and the Irish Government's credit rating;
- the impact of any exit arrangements by the State from the EU / IMF programme;
- the availability of customer deposits at sustainable pricing levels to fund the Group's loan portfolio and the outcome of the Group's disengagement from the Credit Institutions (Eligible Liabilities Guarantee) Scheme 2009 (ELG scheme);
- development and implementation of the Group's strategy, including the implementation of the Group's revised EU Commission restructuring plan and the Group's ability to achieve estimated net interest margin increases and cost reductions;
- property market conditions in Ireland and the UK;
- the performance and volatility of international capital markets;
- the potential exposure of the Group to various types of market risks, such as interest rate risk, foreign exchange rate risk, credit risk and commodity price risk;
- the effects of the Irish Government's stockholding in the Group (through the NPRFC) and possible increases in the level of such stockholding;
- the outcome of any legal claims brought against the Group by third parties or legal or regulatory proceedings or any Irish banking inquiry more generally that may have implications for the Group;
- the potential requirement for further contributions to the Group pension schemes;
- potential deterioration in the credit quality of the Group's borrowers and counterparties;
- the impact of the implementation of significant regulatory developments such as Basel III, Capital Requirements Directive (CRD) IV and the Recovery and Resolution Directive;
- implications of the Personal Insolvency Act 2012 for distressed debt recovery and impairment provisions; and
- the Group's ability to address information technology issues.

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 statements speak only as at the date they are made. The Group does not undertake to release publicly any revision to these forward looking statements to reflect events, circumstances or unanticipated events occurring after the date hereof. The reader should however, consult any additional disclosures that the Group has made or may make in documents filed or submitted or may file or submit to the US Securities and Exchange Commission.

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3 Asset Quality

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Group Chief Executive's Review

Richie Boucher

Delivering on Strategic Objectives

Strong Franchise Positions

Close to Profitability

Highlights

Bank of Ireland Group

Balance Sheet Metrics

	Dec 12	Jun 13
Loans / deposits ratio	123%	121%
Wholesale funding	€39bn	€31bn
RWAs	€57bn	€51bn
Core tier 1 ratio[1]	13.8%	14.2%
Basel III Common Equity Tier 1 (Pro-forma Fully Loaded)	8.5%	8.6%

Profitability Metrics

	H1 2012	H1 2013
Total Income	€875m	€1,188m
Operating profit Pre-impairment charges	€37m	€380m
Net interest margin annualised	1.20%	1.65%
Impairment charges on loans and advances to customers	€941m	€780m
Underlying loss before tax	(€933m)	(€383m)
Headcount	13,200	11,750

Delivering on Strategic Objectives

- Loan to deposit ratio at 121%
- Demonstrated access to wholesale funding markets
- ECB funding approaching normalised levels (down by €6bn incl. unwind of IBRC Repo of €3bn)
- Robust Core tier 1 ratio of 14.2%
- Pro-forma fully loaded Common Equity Tier 1 (CET1) ratio of c.8.6% (incl. 2009 preference shares)
- Transitional CET1 ratio target expected to be >10% - on track

Close to Profitability

- Total income up €313m or 36%
- Pre-impairment operating profit up €343m
- Grew net interest margin to 1.65%
- ELG expired with no adverse impact on deposit volumes; fees phasing out quickly
- Reduced staff and other costs with redundancy programmes ongoing. Pension deficit mitigation solution being progressed
- Impairment charges reduced despite one-off charge against provision stock of €100m due to new CBI guidelines

[1] A Core tier 1 ratio of 14.4% was reported at Dec 12. With effect from 1 Jan 13 an amount of 0.6% for the Group's participation in its life and pensions business was deducted. For ease of comparison purposes, the Dec 12 Core tier 1 ratio has been presented on a pro-forma basis to take account of this deduction.

Strategic Objectives - strong progress since 2011 recapitalisation

Bank of Ireland Group

Maintained and enhanced strategic shape

- Leading Irish bank in a consolidating market
- EU Restructuring Plans amended and confirmed - New Ireland retained, GB Business and Corporate Banking and ICS Platform exited / wound down
- Selective international diversification - UK Post Office and Acquisition Finance
- Asset sales (>€10bn) completed below PCAR plan

Transformed funding profile, availability and cost

- Deposits now 70% of funding
- Loan to Deposit Ratio target achieved
- ELG expired successfully
- Demonstrated access to wholesale markets
  - Jan 13 - €1bn CoCo
  - Mar 13 - €500m ACS, 4.5x oversubscribed
- May 13 - €500m 3yr unsecured, 2.5x oversubscribed
- Monetary authority (excl. NAMA) normalising

Healthy capital position

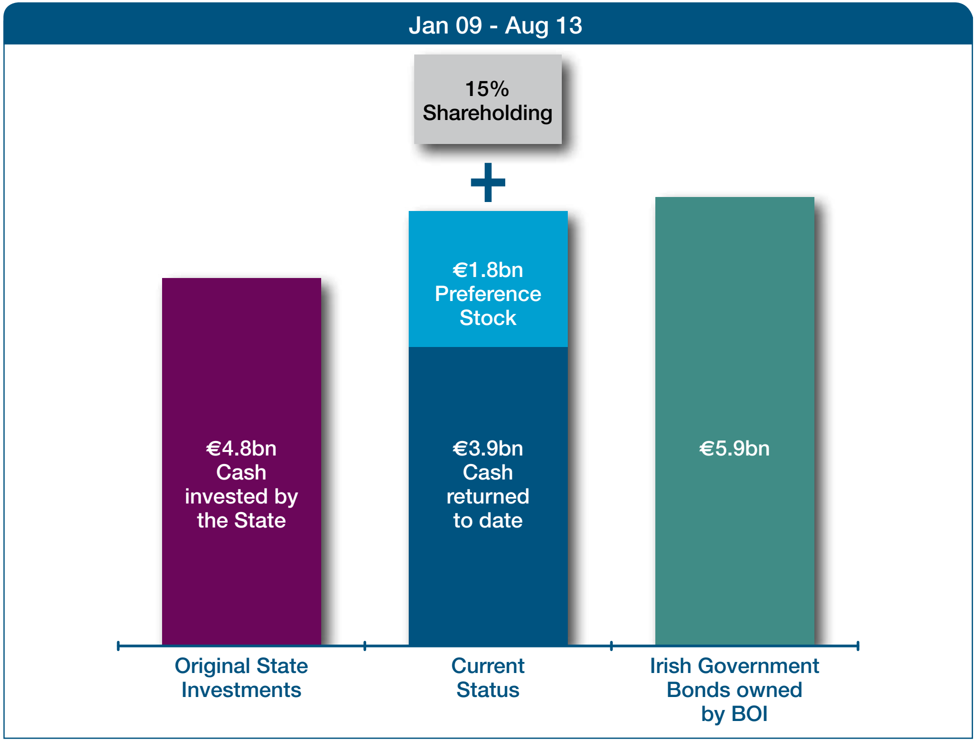
- CT1 ratio of 14.2% - ahead of regulatory requirement
- €4.2bn of PCAR capital generated in 2011 substantially from private sources
- Raised €250m of Tier 2 capital in Dec 12
- Actions on-going to address pension deficit and reduce capital impact
- Preference Shares - progressing options

Strong momentum to sustainable profitability

- Delivered NIM improvements despite flattening curve
- Cost reductions on-going
- Pension deficit mitigation - proposals being actively progressed
- Pre-impairment operating profit building
- Impairments continuing to reduce
- Strong momentum toward underlying post impairment profit

Delivering on Strategic Objectives

Bank of Ireland Group



- Since 2009 €4.8bn cash invested by the State
- Cumulative €3.9bn cash returned to the State
- State continues to hold valuable investments
  - €1.8bn Preference Stock paying an annual coupon of 10.25%
  - 15% Equity shareholding
- Group has invested in Irish Government Bonds - €5.9bn[1] nominal value

Reimbursing and rewarding the State's investments

[1] Nominal value of Irish Government Bonds held by the Group (ex BOI Life)

Bank of Ireland Group

Supporting and benefiting from the Irish economic recovery

Lending to homebuyers and supporting homeowners

- Launched €2bn mortgage fund Oct 12
- c.€1.2bn mortgages approved from Oct 12 - Jul 13
- Further €2bn fund launched in Jul 13
- Providing c.38% of all new mortgage lending drawdowns in Q1 2013
- Continuing to support mortgage customers in financial difficulty via comprehensive policies, procedures, solutions and infrastructure

Supporting Irish businesses

- Approved €1.9bn in new and increased SME lending facilities H1 2013
- On track to meet €4bn SME lending approval target in 2013
- Approved c.25,000 SME credit applications in H1 2013, Seed Investment funds of €50m, providing c.48% of all new non-property SME lending drawdowns
- Significant restructuring of challenged SME credits
- Continued profitable growth in corporate, business and relationships with MNCs
- Public Private Partnership relationships with Irish Government

Capital and liquidity available to support and profitably grow our core franchises

Strong Franchise Positions

Bank of Ireland Group

Retail Ireland - leading bank in a consolidating market

Strong relationships with customers	c.1.6m Consumer Banking Customers	Wealth Management incl. New Ireland Assurance >600k Customers	c.150k SME / Business Customers

Leading multi-channel distribution platform

- 250 branches
- 1,700 Self-service devices
- c.600k online customers >50% current accounts active online
- c.215k mobile customers
- 24 x 7

Market leading positions	38% of all new mortgage lending drawdowns in Q1 2013	Life Assurance c.24% APE	Half of all new non property SME lending drawdowns in Q1 2013

Strong Franchise Positions

Bank of Ireland Group

Corporate & Treasury

Number 1 Corporate Bank in Ireland

- >30% market share, >50% of MNC
- Leading provider of treasury products and services to retail, business banking, corporate and institutional clients in Ireland
- Selective provision of credit for commercial real estate and construction
- Public Private Partnership relationships with Irish Government
- Well recognised lead arranger / underwriter of mid-market leveraged finance transactions, both in Europe and the US
- IBI Corporate Finance, ranked #1 Irish advisor for each of the last 8 years

Retail UK

Challenger consumer banking franchise with established customer base

POST OFFICE®

Continue to develop partnership, leverage strong / trusted brand to grow consumer banking franchise

More branches than all other retail banks in the UK combined

c.11,500 Post Office branches	c.2,400 Post Office / BOI ATMs	Online	Mobile	Telephone

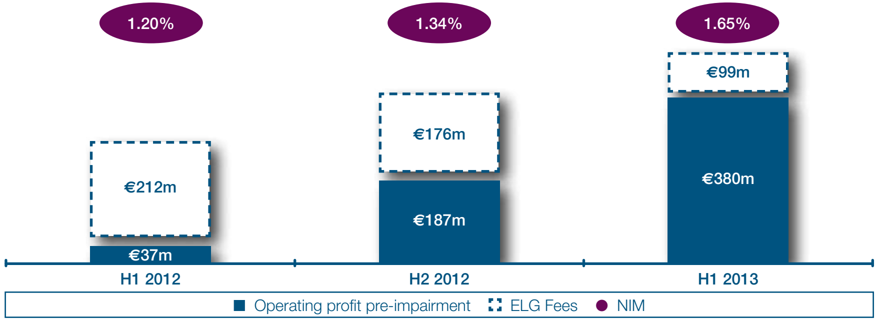
Expanding product range

c.1.6m Post Office Savings Accounts	**c.200k Mortgages** with dedicated advisors in place	**Retail FX** Market leader with c.25% share	**c.500k + Credit Cards / Pre-paid Loans / Personal Loans**	**c.500k + Insurance** Policies	**Current Accounts** 6 month trial underway

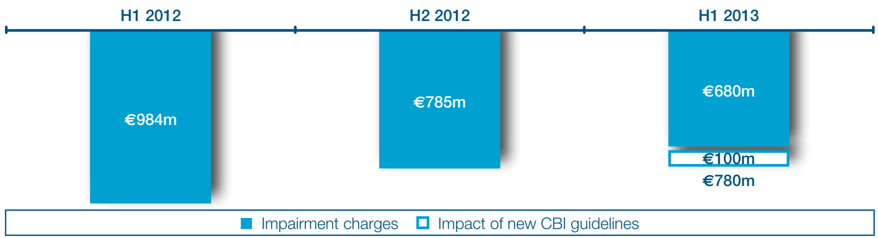
Universal offering in Northern Ireland through branches and product specialists. NIIB Specialist car / asset finance business

Close to Profitability

Operating profit pre-impairment building strongly



Impairment charges reducing



Getting closer to profitability

Delivering on our Medium Term Targets

Bank of Ireland Group

	Metrics	Dec 12	Jun 13	Target
Balance Sheet	Loans and advances to customers[1]	€93bn	€87bn	▶ c.€90bn
	Group loan / deposit ratio	123%	121%	▶ ≤120%
	Capital - Core tier 1 ratio[2]	13.8%	14.2%	▶ Buffer maintained over regulatory minimum
	ELG covered liabilities ELG fees	€26bn €388m	€8bn €99m	▶ Fully disengaging (ELG expired 28 Mar 13)
Profitability	Net interest margin	1.25%	1.65%	▶ >2.0%
	Cost / income ratio	88%	68%	▶ <50%
	Impairment charges	165bps	151bps	▶ 55bps - 65bps

[1] Loans and advances to customers are stated net of impairment provisions.

[2] A Core tier 1 ratio of 14.4% was reported at Dec 12. With effect from 1 Jan 2013 an amount of 0.6% for the Group's participation in its life and pensions business was deducted. For ease of comparison purposes, the Dec 12 Core tier 1 ratio has been presented on a pro-forma basis to take account of this deduction.

Group Income Statement

Andrew Keating

Group Income Statement

Bank of Ireland Group

	H1 2012 €m	H1 2013 €m	Change €m	Change %
Net Interest income	840	968	128	15%
ELG fees	(212)	(99)	113	53%
Other income (net)	247	319	72	29%
Total income	**875**	**1,188**	**313**	**36%**
Operating expenses	(838)	(808)	30	4%
Operating profit pre-impairment	**37**	**380**	**343**	**-**
Impairment charges[1]	(984)	(780)	204	21%
Share of associates / JVs	14	17	3	21%
Underlying loss before tax	**(933)**	**(383)**	**550**	**59%**
Non-core items	(327)	(121)	206	63%
Loss before tax	**(1,260)**	**(504)**	**756**	**60%**

Average interest earning assets[2]	€132bn	€119bn	(€13bn)	(10%)
Net interest margin[3&4]	1.20%	1.65%	45bps	38%

[1] Impairment charges in H1 2012 included charges on loans and advances to customers (€941m) and charges on AFS (€43m).
[2] Reduction of €13bn includes loans and advances to customers €8bn, liquid assets €3bn and FX €2bn.
[3] Excluding the cost of the ELG.
[4] H1 2012 net interest margin included a 3bps impact from the remeasurement of the Contingent Capital Note.

Income

- Delivered total income growth of €313m (36%)
- Increased net interest income by €128m (15%)
- Reduced ELG fees by €113m (53%)
- Average interest earning assets reduced by €13bn (10%); €114bn in Jun 13

Operating Expenses

- Reduced staff and other costs with redundancy programmes ongoing
- Pension costs impacted by size of deficit and new accounting rules

Impairment Charges

- Remained elevated reflecting economic conditions
- Reduced impairment charges by €204m (21%) (after one-off charge of €100m due to new CBI guidelines)

Non-Core Items

- Positive credit spread movements gives rise to a charge of €88m
- Restructuring and redundancy costs of €50m

Reduced underlying loss by €550m

Group Income Statement

Bank of Ireland Group

	H1 2012 €m	H2 2012 €m	H1 2012 v H2 2012	H1 2013 €m	H2 2012 v H1 2013
Net Interest income	840	915	↑	**968**	↑
ELG fees	(212)	(176)	↓	**(99)**	↓
Other income (net)	247	248	↑	**319**	↑
Total income	**875**	**987**	↑	**1,188**	↑
Staff Costs (ex pension)	(388)	(383)	↓	**(351)**	↓
Pension Costs[1]	(57)	(13)	↓	**(79)**	↑
Other Costs	(393)	(404)	↑	**(378)**	↓
Operating profit pre-impairment	**37**	**187**	↑	**380**	↑
Impairment charges[2]	(984)	(785)	↓	**(780)**	↓
Share of associates / JVs	14	32	↑	**17**	↓
Underlying loss before tax	**(933)**	**(566)**	↓	**(383)**	↓
Key Metrics					
Net Interest Margin - %	1.20%	1.34%	↑	**1.65%**	↑
Loan to deposit ratio - %	136%	123%	↓	**121%**	↓
Monetary Authority Drawings (excl. IBRC repo) - €bn[3]	€23bn	€12bn	↓	**€9bn**	↓
Core tier 1 ratio[4]	c.13.4%	13.8%	↑	**14.2%**	↑

Key financial metrics continuing to improve

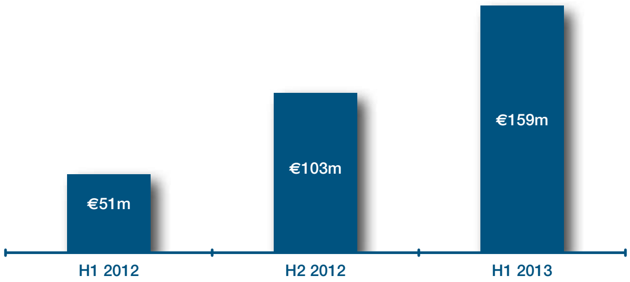
1 H2 2012 includes recoveries relating to pension levies. H1 2013 is impacted by c.€20m relating to a change in accounting standards.
2 Impairment charges in 2012 includes charges on loans and advances to customers (H1 2012 €941m; H2 2012 €783m) and charges on AFS (H1 2012 €43m; H2 2012 €2m).
3 Includes c.€4bn NAMA Bonds and €1.5bn LTRO Funded Investment.
4 A Core tier 1 ratio of 14.4% was reported at Dec 12 and 14% at Jun 12. With effect from 1 Jan 13 an amount of 0.6% for the Group's participation in its life and pensions business was deducted. For ease of comparison purposes, the Dec 12 and Jun 12 Core tier 1 ratio have been presented on a pro-forma basis to take account of this deduction.

Focusing on our Return to Profitability

Bank of Ireland Group

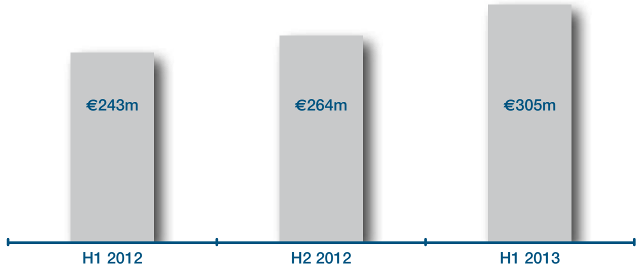
Retail Ireland

Operating profit pre-impairment



Corporate & Treasury

Operating profit pre-impairment



Retail UK

Operating profit pre-impairment

BOI Life

Operating profit

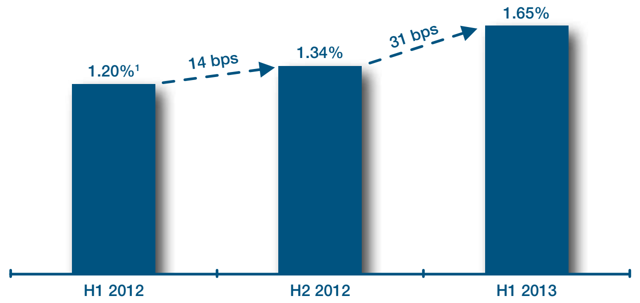
All Divisions supporting our return to profitability

Note: Group Centre supports other units and represents a €102m cost in H1 2013 (compared to €77m in H2 2012 and €83m in H1 2012). In addition, Group Centre incurs ELG fees which are profiled later.

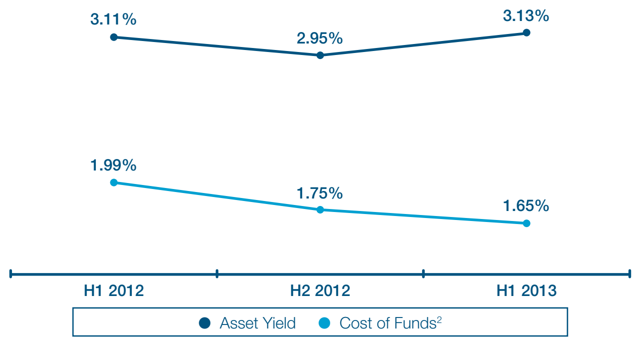
Significant Net Interest Margin Momentum Continuing

Bank of Ireland Group

Net Interest Margin Trend



Net Interest Margin Drivers



Continuing to Rebuild NIM

- Positive momentum as asset yields are increasing while cost of funds is decreasing
- Continue to reprice deposits across each portfolio
- Achieving higher margins on new lending, albeit volumes remain muted
- More efficient management of balance sheet
- Exit margin higher than average for H1 2013 with momentum continuing

[1] Includes a 3bps impact from the remeasurement of the Contingent Capital Note.
[2] Includes Credit Balances.

Exceptional Government Guarantee / ELG Fees

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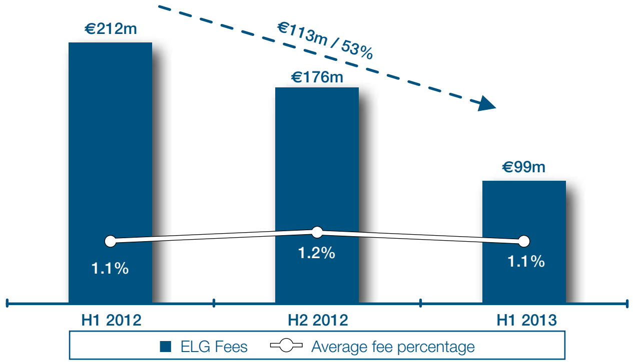
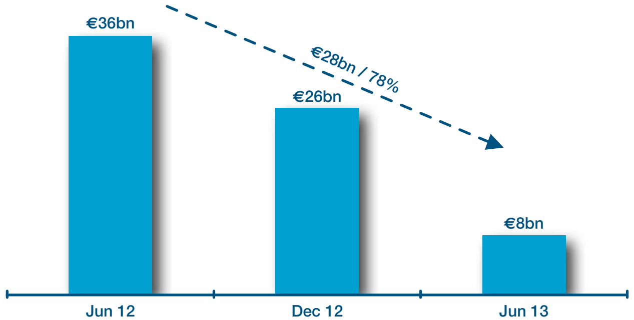
ELG Fees



Covered Liabilities



ELG fees phasing out quickly

- ELG expired on 28 Mar 2013
- Experienced no adverse impact on deposit volumes or pricing strategy
- Covered liabilities expected to reduce by c.€3bn during H2 2013
- Thereafter, further reductions will primarily be linked to wholesale funding maturities in early 2015

Operating Expenses

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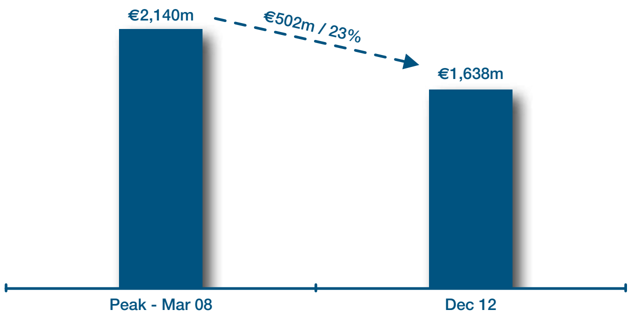
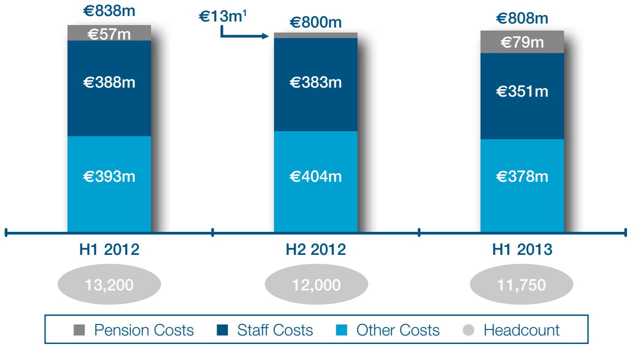
Transformation of Operating Costs



Focus and Momentum Continues



Delivered €502m or 23% cost reductions since peak in 2008

- Continuing to invest in core franchises

Staff Costs - down €32m or 8% on H2 2012

- Staff costs reflect headcount reductions
- Redundancy programmes on-going
- Efficiency improvements in our core franchises

Pension Costs - impacted by change in accounting rules

- Broadly stable under previous accounting standard
- Size of pension deficit and change in accounting rules had c.€20m impact in H1 2013; €40m full year impact in 2013
- Pension deficit mitigation being actively progressed

Other Costs - down €26m or 6% on H2 2012

- Reflecting tight cost control
- Infrastructure and outsourcing contracts delivering expected benefits

[1] The reported pension charge in H2 2012 benefited from a recovery of the cost of the pension levy from scheme members relating to 2011 (€20m) and 2012 (€23m).

Asset Quality

Loans and Advances to Customers - €95bn[1]

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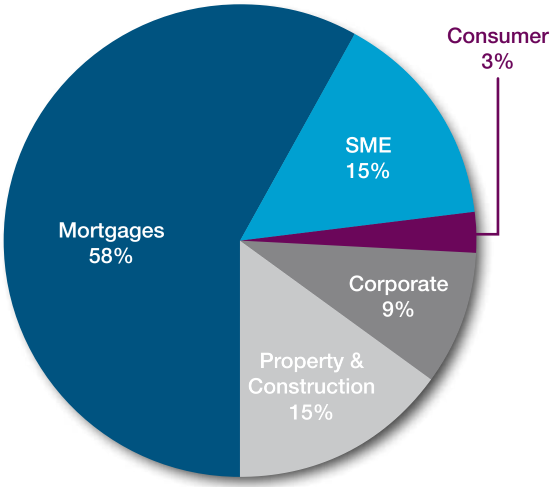
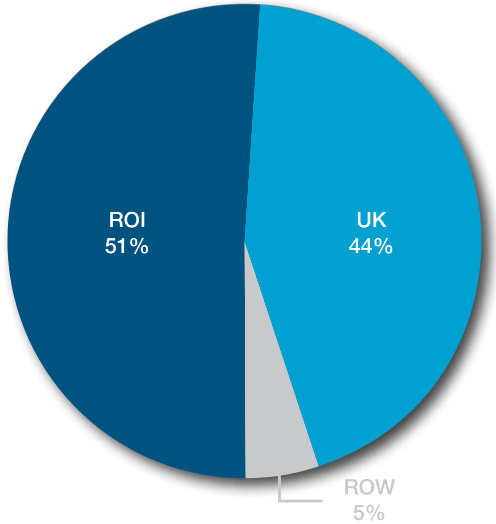
Portfolio Profile[2]



Mortgages, Consumer & SME - 76%

Geographic Profile[2]



Portfolio balanced between Ireland and UK

[1] Loans and advances to customers of €95bn at 30 Jun 13 are before impairment provision of €8.1bn.

[2] Profile is presented net of impairment provisions; geographic profile is based on location of customer.

Impairment Charges

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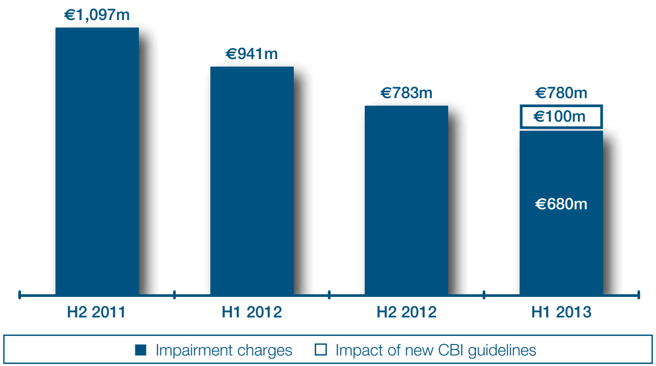
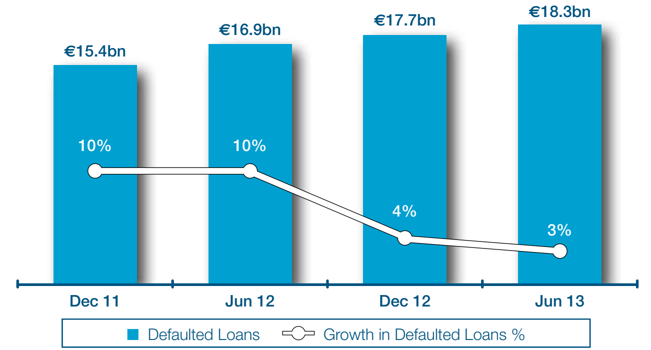
Trend of reducing charges continuing



Rate of growth of defaulted loans



Three consecutive periods of reducing impairment charges

- Portfolios performing broadly in line with expectations
- Pace of growth in defaulted loans continue to reduce
- Impairment charges (ex CBI guidelines impact) have reduced by €103m (13%) over H2 2012

Impact of CBI Guidelines at Jun 13

- Central Bank of Ireland published new impairment provision guidelines dated 31 May 13
- Impact is €100m one-off charge - primarily impacts the mortgage portfolios
- Not expected to change borrower behaviour or collections activity

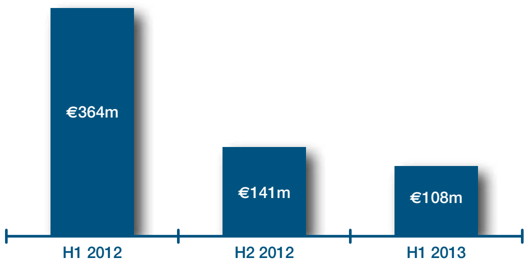
Outlook

- Expect impairment charges to continue to reduce from current elevated level to more normalised levels as the Irish economy recovers

ROI Owner Occupied Mortgages: €20.6bn

Bank of Ireland Group

Net change in defaulted loan volumes (> 90 days past due and / or impaired)



Impairment charge, defaulted loans & provisions

	Jun 12	Dec 12	Jun 13
Impairment charge (6 month charge)	€180m	€39m	€109m
Charge - bps (annualised)	174bps	38bps	82bps
Total defaulted loans volume	€1.9bn	€2.0bn	€2.2bn
Defaulted loans volume as a % of total book	9.2%	9.8%	10.5%
Provision stock	€672m	€711m	€824m
Coverage Ratio[2]	35%	35%	38%

Profile of Assets

- Repayment basis - 93% capital and interest
- 55% or €11.3bn are ECB Tracker Mortgages

Market Environment

- House prices continue to stabilise
- Employment levels increased modestly in recent quarters
- Provisioning assumptions - 55% peak to trough fall, plus other charges for forced sale discount, disposal costs

Portfolio Performance

- 9 of 10 accounts fully performing
- BOI's arrears levels - 53% of rest of industry[1]
- Arrears reflect economic conditions and affordability issues - negative equity not a driver
- Growth in defaulted loans continued to reduce
- Focused on restructuring customers on a sustainable basis
- CBI recent guidelines have increased provision stock by €50m

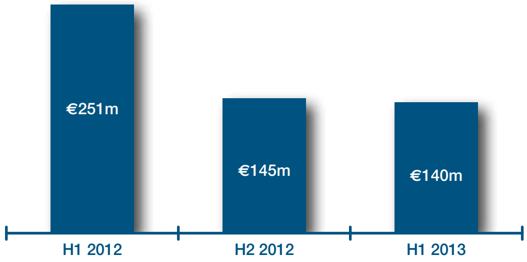
[1] At Mar 13 BOI's arrears levels (based on number of accounts >90 days in arrears) was 7.3% compared to 13.7% for the industry ex BOI. Source: Central Bank of Ireland.

[2] Impairment provisions as a % of loans where arrears are >90 days past due and / or impaired.

ROI Buy to Let Mortgages: €6.5bn

Bank of Ireland Group

Net change in defaulted loan volumes (> 90 days past due and / or impaired)



Impairment charge, defaulted loans & provisions

	Jun 12	Dec 12	Jun 13
Impairment charge (6 month charge)	€111m	€88m	€114m
Charge - bps (annualised)	314bps	262bps	308bps
Total defaulted loans volume	€1.4bn	€1.6bn	€1.7bn
Defaulted loans volume as a % of total book	20.7%	23.5%	26.1%
Provision stock	€651m	€741m	€862m
Coverage Ratio[2]	46%	47%	50%

Profile of Assets

- Repayment basis - 57% capital and interest (Dec 12 - 52%)
- Portfolio repaid net €142m in H1 2013 - 2% reduction
- 81% or €5.3bn are ECB Tracker Mortgages

Market Environment

- House prices continue to stabilise
- Private rents continue to increase - particularly in Dublin and other urban areas
- Provisioning assumptions - 55% peak to trough fall plus other charges for forced sale discounts, disposal costs

Portfolio Performance

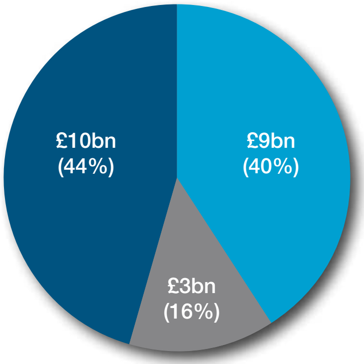
- 8 of 10 accounts fully performing
- BOI's arrears levels - 69% of rest of industry[1]
- Growth in defaulted loan volumes consistent with H2 2012 and significantly lower than H1 2012
- Arrears partially reflected the impact of rising repayments when interest only periods end and capital repayments are required
- Focused on restructuring customers on a sustainable basis
- CBI recent guidelines have increased provision stock by €25m

[1] At Mar 13 BOI's arrears levels (based on customer accounts >90 days in arrears) was 14.7% compared to 21.3% for the industry ex BOI. Source: Central Bank of Ireland.
[2] Impairment provisions as a % of loans where arrears are >90 days past due and / or impaired.

UK Residential Mortgages: £22bn / €25bn

Bank of Ireland Group

Profile of UK Residential Mortgages



Profile of Assets

- £1bn or 4% reduction in the portfolio during H1 2013

Market Environment

- House prices remaining broadly stable
- Unemployment levels reducing

Portfolio Performance

- Total arrears remain below industry average despite declining books
- CBI recent guidelines have increased the provision stock by €15m

Impairment Charge & Provisions

	Jun 12	Dec 12	Jun 13
Impairment charge (£) (6 month charge)	£15m	£20m	£24m
Charge - bps (annualised)	13bps	18bps	16bps
Provision stock	£110m	£116m	£127m
Coverage Ratio[2]	24%	22%	25%

Arrears - number of cases > 3 months past due[1]

	Jun 12	Dec 12	Jun 13
Standard	100bps	112bps	127bps
Buy to let	161bps	141bps	128bps
Self cert	315bps	348bps	374bps
Total	151bps	153bps	157bps
CML	**193bps**	**191bps**	**189bps[3]**

[1] Using CML methodology. Represents the number of cases > 3 months past due as a % of the total number of mortgage cases.
[2] Impairment provisions as a % of loans with arrears > 3 months past due and / or impaired.
[3] CML figures are as at 31 Mar 13.

SME & Corporate Loans: €22bn

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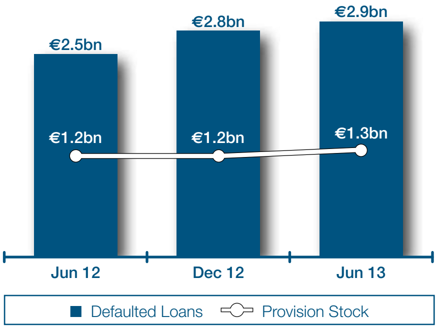
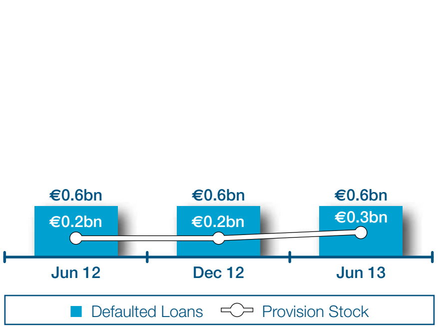
ROI SME - €11bn



	Jun 12	Dec 12	Jun 13
Impairment Charge (6 month charge)	€123m	€100m	€95m
Coverage Ratio	46%	43%	46%

- Stabilising albeit sectors correlated with consumer spending and property markets remain challenged

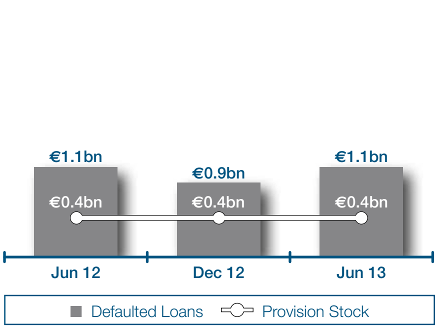
UK SME - £2bn / €3bn



	Jun 12	Dec 12	Jun 13
Impairment Charge (6 month charge)	€16m	€37m	€54m
Coverage Ratio	32%	37%	43%

- Increase in 2013 reflects several individual cases

Corporate - €8bn



	Jun 12	Dec 12	Jun 13
Impairment Charge (6 month charge)	€77m	€60m	€59m
Coverage Ratio	38%	44%	40%

- Corporate portfolio performing satisfactorily

Asset quality is stabilising

Property & Construction: €17.4bn

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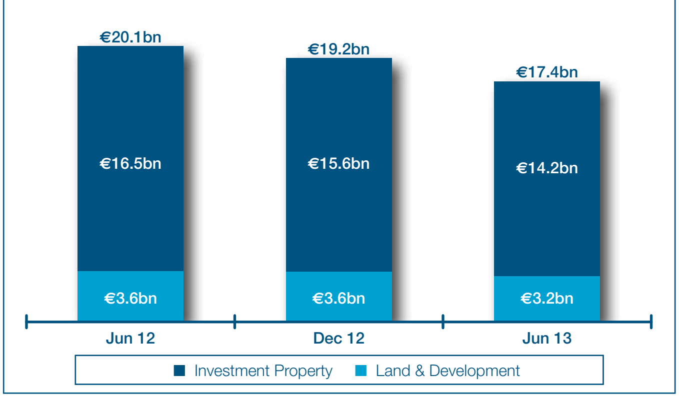
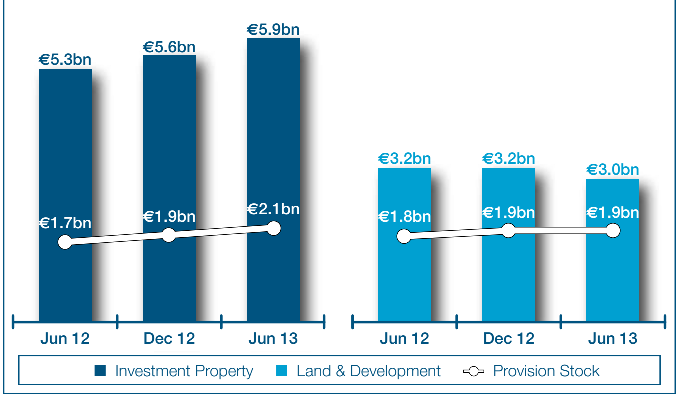
Property & Construction Loans



Defaulted Loans & Provision Stock



Investment Property Profile

- Reduced by €1.4bn or 9% in H1 2013
- 46% ROI, 49% UK and 5% RoW
- 37% Retail, 16% Office, 8% Industrial, 39% Other / Mixed
- ROI - main urban areas and prime investment yields are showing modest improvement reflecting transaction levels; other markets and locations remain subdued
- UK - London / South East performing well; secondary markets remain weak
- Retail sector remains under pressure

Land & Development Profile

- 94% is impaired with a coverage ratio of 63%

Impairment Charge

6 months ending	Jun 12	Dec 12	Jun 13
Investment Property	€180m	€257m	€181m
Land & Development	€207m	€153m	€110m
Total	**€387m**	**€410m**	**€291m**

Coverage Ratio	Jun 12	Dec 12	Jun 13
Investment Property	32%	35%	35%
Land & Development	58%	60%	63%
Total	**42%**	**44%**	**44%**

Funding & Capital

Funding Transformation

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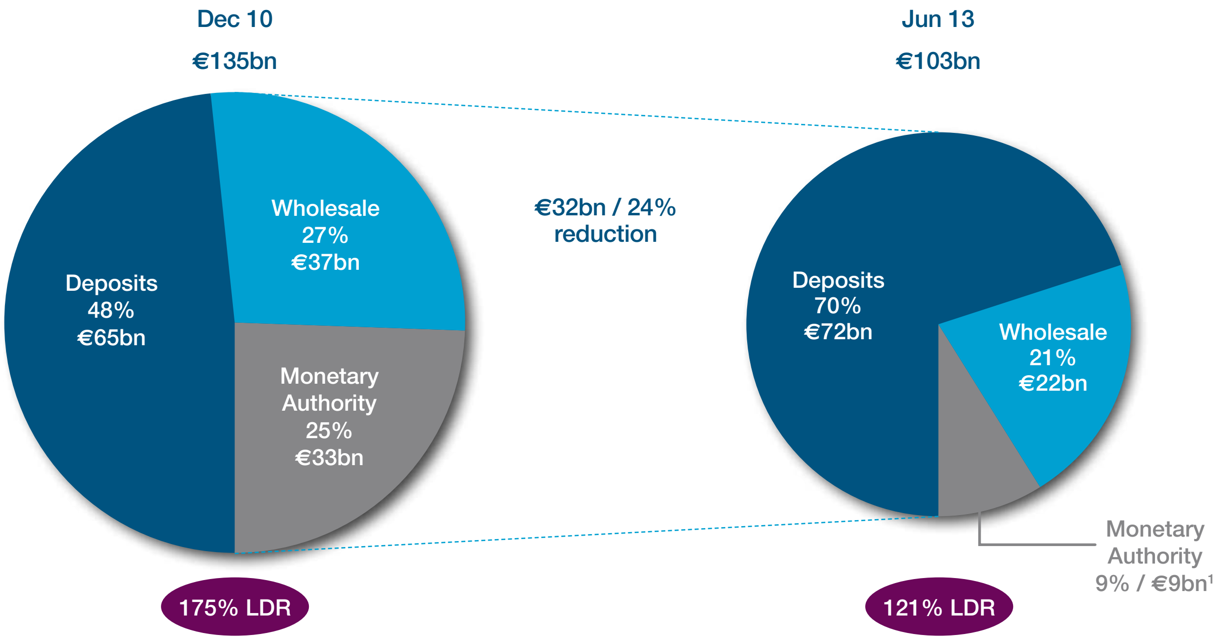


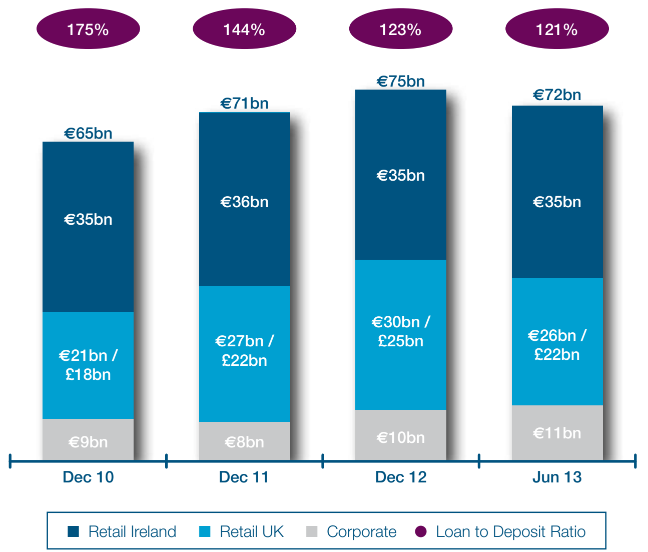
Transformed the profile, availability and cost of our funding base

[1] Includes c.€4bn NAMA Bonds and €1.5bn LTRO funded investment.

Customer Deposits

Bank of Ireland Group

Deposit Volumes



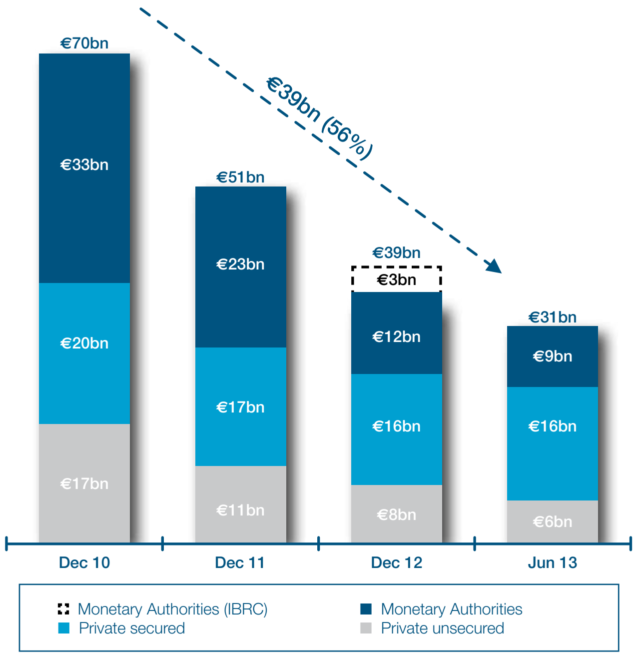
- Loan to deposit ratio improved to 121%; impacted by FX rates
- No volume impact from ELG expiry in Mar 13
- Optimising across funding pools for volume, stability and cost
- Deposit strategies leverage the strength of our franchises and scale of our distribution
  - Retail Ireland - stable deposit volumes
  - Retail UK - £2.3bn reduction in H1 2013 reflecting the planned reduction of excess liquidity in the UK subsidiary
  - Corporate - €0.6bn increase since Dec 12
- Access features being revised
- Continuing to focus on deposit pricing strategies in each portfolio

Achieved our target Loan to Deposit Ratio

Wholesale Funding

Bank of Ireland Group

Wholesale Funding Profile



Consistently accessed private market

- Demonstrated continued market access
  - Issued €500m of 3 year term unsecured senior debt in May 13
  - Issued €500m Asset Covered Securities using Irish mortgage collateral in Mar 13
- €13.4bn or 62% of private market funding has a residual term to maturity of >1 year
- Refinancing requirement from unsecured maturities very low

Repaid €6bn of Monetary Authority Funding

- IBRC Repo transaction (€3bn) terminated on a no-gain / no-loss basis in Feb 13
- Repaid an additional €3bn of LTRO borrowings
- Remaining €9bn of LTRO borrowings at Jun 13 includes:
  - NAMA senior bonds of c.€4bn
  - LTRO funded investment in Irish bonds - €1.5bn
- All ECB drawings are covered by 3 year LTRO

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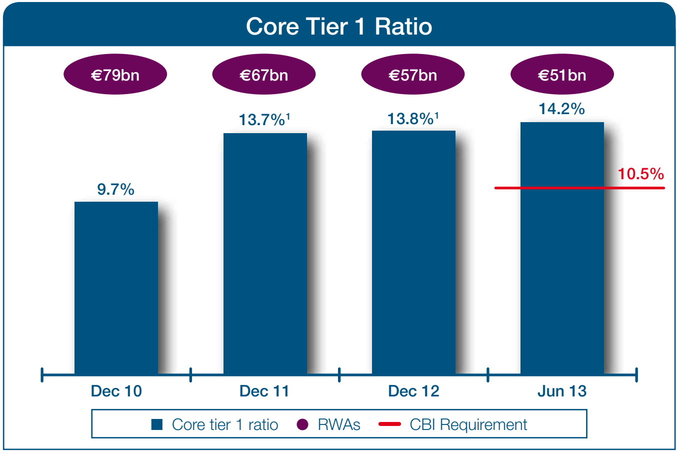
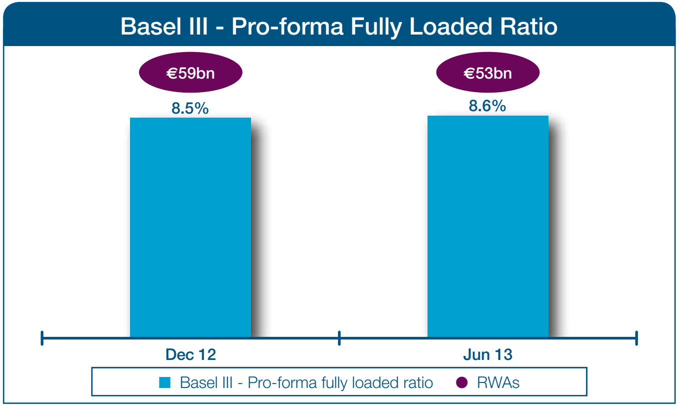




Core Tier 1 Ratio

- Core tier 1 ratio of 14.2% versus CBI requirement of 10.5%
- €6bn or 11% reduction in RWA reflecting deleveraging, the impact of impaired loans and FX

Basel III - Pro-forma Fully Loaded Ratio of c.8.6%

- Pro-forma, fully loaded CET1 ratio of c.8.6% at 30 Jun 13[2] (including 2009 Preference Shares)
- Basel III adjustments assumed to be phased in from 2014 to 2018. Impact should be mitigated by capital generated from earnings and management actions
- Assume the CET1 regulatory requirement under Basel III will be 10% - expect to maintain a buffer above this on a transitional basis
- Leverage ratio - expect to remain above 3% on a transitional basis; on a fully loaded pro-forma basis, including the 2009 preference shares, ratio is above 3% at Jun 13

2009 Preference Shares

- Proactively reviewing a range of options
- Assessment will take account of the interests of our stakeholders

[1] A Core tier 1 ratio of 14.4% was reported at Dec 12 and 14.3% at Dec 11. With effect from 1 Jan 13 an amount of 0.6% for the Group's participation in its life and pensions business was deducted. For ease of comparison purposes, the Dec 12 and Dec 11 Core tier 1 ratio have been presented on a pro-forma basis to take account of this deduction.
[2] See slide 45 for details and basis of calculation. 2009 Preference shares of €1.8bn will be grandfathered as Common Equity Tier 1 until 31 Dec 17.

Delivering on Strategic Objectives

- New Ireland retained as a key element of our franchise
- Transformed the profile, availability and cost of our funding base
- Achieved all deleveraging and loan to deposit ratio targets
- Healthy capital position

Strong Franchise Positions

- Leading bank in Ireland in a consolidating market; strong franchises overseas
- Strongly contributing to and benefiting from Irish economic recovery

Close to Profitability

- Total income increased by 36% in last 12 months
- Net interest margin increased from 1.20% to 1.65%, exit margin higher
- ELG expired and fees are reducing quickly
- Costs being tightly managed
- Impairment charges are continuing to reduce

Additional Information

Bank of Ireland Group

EU Restructuring Plan - Summary of Amendments

Bank of Ireland Group

On 9 Jul 13, the European Commission approved amendments to the Group's EU Restructuring Plan

New Ireland retained[1]

- Manufacturer of pension, investment, protection and annuity products
- Distributed through comprehensive multi-channel network
- Second largest life and pension provider in Ireland
- New business market share of c.24% as of 30 Jun 13 - serves c.600k customers.
- Net book value of €875m and generated operating profit[2] of €41m for the half year ended 30 Jun 13

Selected activities will be exited

- Business and Corporate Banking in Great Britain
  - Gross loan assets of c.€3.9bn at Jun 13
  - No impact on consumer banking businesses in GB including partnership with the Post Office, activities in Northern Ireland or Leveraged Acquisition Finance business
- ICS Distribution Platform
  - Exit from the origination of new mortgages through ICS intermediary channel
  - Sale (or retirement) of the ICS distribution platform
  - Sale, if required by an acquirer, of up to €1.0bn of intermediary originated mortgage assets and matched deposits

Other measures

- Ordinary share dividend restriction measure extended
- Market opening measures prolonged to 31 Dec 16

Exits will be managed to protect the Group's capital position

[1] New Ireland will not be divested as originally planned.
[2] Before investment variances and economic assumption changes.

EU Restructuring Plan - Supporting detail

Bank of Ireland Group

New Ireland retained

Jun 13 Financial Position	Net Book Value	H1 2013 Operating Profit[1]
New Ireland	€875m	€41m

Selected activities will be exited

Jun 13 Financial Position	Gross Assets	RWA
GB Corporate Banking	€1.3bn	€0.9bn
GB Business Banking	€2.6bn	€2.0bn
ICS Intermediary Mortgages	up to €1bn	up to €0.15bn
Total	**up to €4.9bn**	**up to €3.1bn**

Other measures

- Pre-existing restriction on the payment of ordinary dividends until earlier of 31 Dec 15 or date by which 2009 Preferences Shares currently held by State have been reimbursed in full
- After Jan 16, restriction extended such that ordinary dividends are linked to reimbursement to State of 2009 Preference Shares. Dividend payments in each year shall not exceed 50% of the redemption value of 2009 Preference Shares reimbursed to State in that year
- Dividend restriction no longer applies when Preference Shares are reimbursed to State in full

[1] Before investment variances and economic assumption changes.

Summary Balance Sheet

Bank of Ireland Group

Group Balance Sheet	Dec 12 €bn	Jun 13 €bn
▶ Net loans and advances to customers[1]	93	87
▶ Liquid assets	30	26
▶ IBRC repo transaction[2]	3	-
▶ BOI Life assets	13	13
▶ Other assets	9	8
Total Assets	**148**	**134**
▶ Customer deposits	75	72
▶ Wholesale funding - Private Sources	24	22
▶ Wholesale funding - Monetary Authorities	12	9
▶ Wholesale funding - Monetary Authorities IBRC transaction[2]	3	-
▶ BOI Life liabilities	13	13
▶ Subordinated liabilities	2	2
▶ Other liabilities	10	8
Total Liabilities	**139**	**126**
▶ Stockholders' equity	9	8
Total Liabilities and Stockholders' Equity	**148**	**134**
▶ Loan to deposit ratio	123%	121%
▶ Core tier 1 ratio[3]	13.8%	14.2%

1 Loans and advances to customers is stated after impairment provisions.

2 Terminated in Feb 13.

3 A Core tier 1 ratio of 14.4% was reported at Dec 12. With effect from 1 Jan 13 an amount of 0.6% for the Group's participation in its life and pensions business was deducted. For ease of comparison purposes, the Dec 12 Core tier 1 ratio has been presented on a pro-forma basis to take account of this deduction.

Loans and Advances to Customers

Bank of Ireland Group

Profile at 30 June 2013[1]	ROI €bn	UK €bn	RoW €bn	Total €bn	Total %
Mortgages	27.1	25.1	-	**52.2**	*55%*
Non-property SME and corporate	13.5	5.4	3.6	**22.5**	*24%*
- SME	*10.9*	*3.3*	-	***14.2***	*15%*
- Corporate	*2.6*	*2.1*	*3.6*	***8.3***	*9%*
Property and construction	8.6	8.2	0.6	**17.4**	*18%*
- Investment property	*6.6*	*7.0*	*0.6*	***14.2***	*15%*
- Land and development	*2.0*	*1.2*	-	***3.2***	*3%*
Consumer	1.6	1.3	-	**2.9**	*3%*
Loans and advances to customers (before impairment provisions of €8.1bn)	**50.8**	**40.0**	**4.2**	**95.0**	***100%***
Geographic %	**53%**	**42%**	**5%**	**100%**	

Asset Profile

- Mortgages represent 55% of total loans - €52bn
- Loans are balanced between ROI and UK (53% ROI, 42% UK and 5% RoW)

[1] Based on geographic location of customer.

Defaulted Loans & Impairment Provisions

Bank of Ireland Group

JUN 13

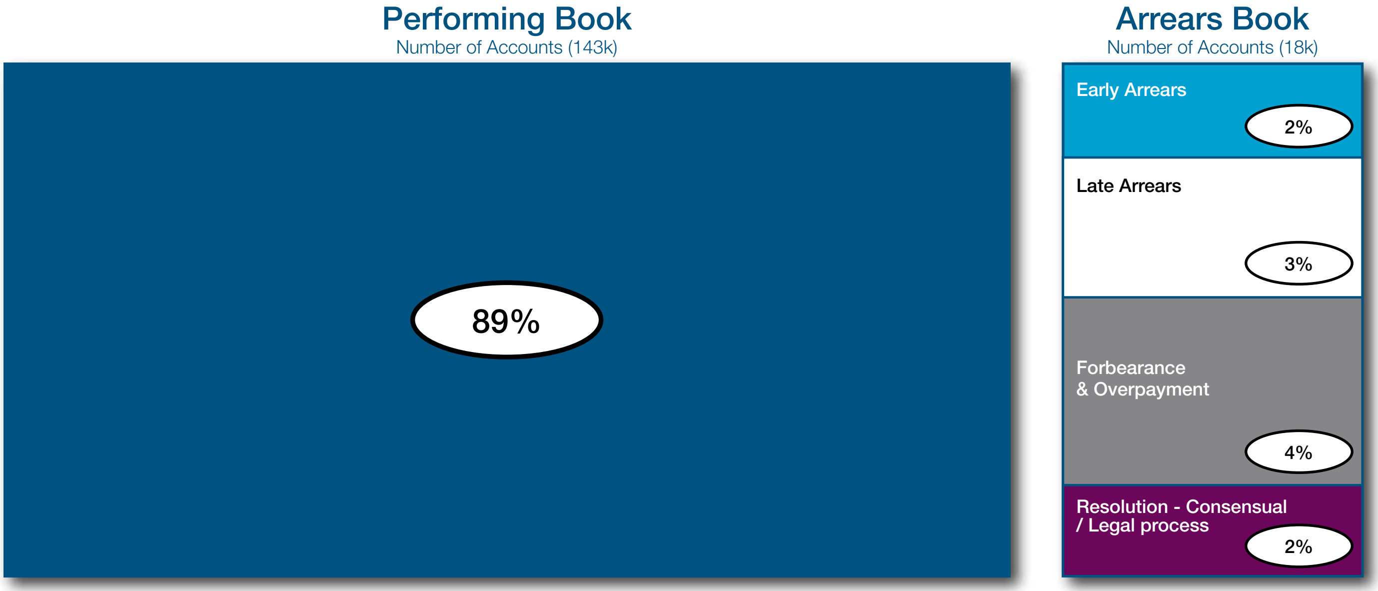
Loans and advances to customers Composition and impairment	Advances €bn	Defaulted Loans[1] €bn	Defaulted Loans as % of advances	Impairment provisions €bn	Impairment Provisions as % of defaulted loans
▶ Residential mortgages	52.2	4.4	8.5%	1.8	41%
▶ ROI	27.1	3.8	14.2%	1.7	44%
▶ UK	25.1	0.6	2.4%	0.1	25%
▶ Non-property SME and corporate	22.5	4.6	20.7%	2.1	44%
▶ ROI	10.9	2.9	26.5%	1.3	46%
▶ UK	3.3	0.6	19.5%	0.3	43%
▶ Corporate Banking Ireland and UK	8.3	1.1	13.5%	0.5	40%
▶ Property and construction	17.4	9.0	51.4%	4.0	44%
▶ Investment	14.2	6.0	41.9%	2.1	35%
▶ Land and development	3.2	3.0	93.6%	1.9	63%
▶ Consumer	2.9	0.3	9.0%	0.2	88%
Total loans and advances to customers	**95.0**	**18.3**	**19.3%**	**8.1**	**44%**

DEC 12

Loans and advances to customers Composition and impairment	Advances €bn	Defaulted Loans[1] €bn	Defaulted Loans as % of advances	Impairment provisions €bn	Impairment Provisions as % of defaulted loans
▶ Residential mortgages	55.0	4.2	7.7%	1.6	37%
▶ ROI	27.5	3.6	13.1%	1.5	40%
▶ UK	27.5	0.6	2.3%	0.1	22%
▶ Non-property SME and corporate	23.0	4.4	19.0%	1.8	42%
▶ ROI	10.8	2.9	26.5%	1.2	43%
▶ UK	3.5	0.6	17.9%	0.2	37%
▶ Corporate Banking Ireland and UK	8.7	0.9	10.1%	0.4	44%
▶ Property and construction	19.2	8.8	46.0%	3.9	44%
▶ Investment	15.6	5.6	35.9%	1.9	35%
▶ Land and development	3.6	3.2	89.5%	2.0	60%
▶ Consumer	3.0	0.3	9.4%	0.2	85%
Total loans and advances to customers	**100.2**	**17.7**	**17.7%**	**7.5**	**43%**

[1] 'Defaulted loans' are defined as loans with a specific impairment provision attaching to them together with loans which are more than 90 days past due.

ROI Owner Occupied Mortgages - Arrears / Forbearance Profile



- 9 out of 10 mortgage accounts are performing
- Early arrears are customer accounts with arrears <90 days past due
- Late arrears are customers whom we continue to work with on a case by case basis to identify and agree a suitable forbearance or resolution strategy
- Forbearance is where a customer’s mortgage contract has been revised on a case specific basis
- Overpayment reflects cases where the customer pays greater than 100% of the mortgage repayment, thus reducing their arrears
- Resolution: Consensual process is a non-legal resolution agreed with the customer such as voluntary sale, Mortgage-to-Rent
- Resolution: Legal process means the bank has initiated legal proceedings against the customer for the recovery of the debt

ROI Buy to Let Mortgages - Arrears / Forbearance Profile

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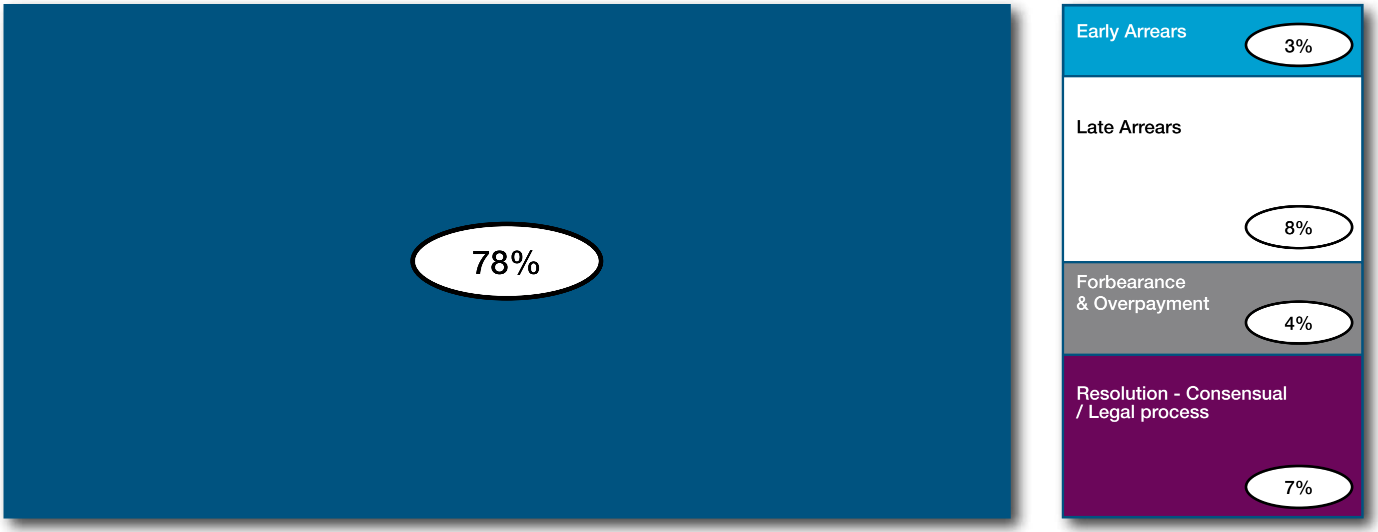
Performing Book
Number of Accounts (28k)

Arrears Book
Number of Accounts (8k)



- 8 out of 10 mortgage accounts are performing
- Early arrears are customer accounts with arrears <90 days past due
- Late arrears are customers whom we continue to work with on a case by case basis to identify and agree a suitable forbearance or resolution strategy
- Forbearance is where a customer's mortgage contract has been revised on a case specific basis
- Overpayment reflects cases where the customer pays greater than 100% of the mortgage repayment, thus reducing their arrears
- Resolution: Consensual process is a non-legal resolution agreed with the customer, such as voluntary sale
- Resolution: Legal process means the bank has initiated legal proceedings against the customer for the recovery of the debt including the appointment of fixed charge receivers

Available for Sale Financial Assets

Bank of Ireland Group

Carrying Value	ROI €bn	UK €bn	Spain / Portugal €bn	Other €bn	Jun 13 €bn	Dec 12 €bn
Sovereign Bonds	6.3	0.1	-	0.1	**6.5**	5.6
Covered Bonds	0.1	0.7	1.0	1.0	**2.8**	3.2
Senior Debt	0.8	0.1	-	0.9	**1.8**	1.6
Subordinated Debt	0.1	-	-	-	**0.1**	0.1
Asset Backed Securities	-	0.2	0.1	0.1	**0.4**	0.5
Total	**7.3**	**1.1**	**1.1**	**2.1**	**11.6**	**11.0**
AFS Reserve	0.5	-	(0.1)	-	**0.4**	0.2

Ireland

- Strong relative performance of Irish sovereign bonds during H1 2013 - improved AFS reserve by €0.1bn
- Separately BOI has €4.2bn of NAMA senior bonds (31 Dec 12: €4.4bn)

Spain / Portugal / Greece

- Spain (€1.0bn) are substantially all covered bonds
- Portugal - €0.1bn
- No AFS exposures to Greece

Other

- France - €0.4bn
- United States - €0.3bn
- Netherlands - €0.3bn
- Italy - €0.1bn
- Nordic & Other - €1bn

Capital: Basel III Impacts

Bank of Ireland Group

Capital Impact	RWAs €bn	CT1 / CET1 Capital €bn	CT1 / CET1 Ratio %
As reported at 30 Jun 13	**51.1**	**7.2**	**14.2%**
Basel III Adjustments:			
- Deferred Tax	(1.8)	(1.6)	
- Pension Deficit		(1.0)	
- Significant Investments / NIAC[1]	1.2	(0.1)	
- Expected Loss[2]		(0.2)	
- Removal of National Filters		0.2	
- Other Items[3]	2.4	0.1	
Basel III fully loaded pro-forma at 30 Jun 2013 (incl. Preference Shares[4])	**52.9**	**4.6**	**8.6%**
Basel III fully loaded pro-forma at 31 Dec 2012 (incl. Preference Shares[4])	**58.7**	**5.0**	**8.5%**

[1] Calculated through 10% / 15% threshold deduction.
[2] 50% of expected loss adjustment already deducted in arriving at Core tier 1 ratio.
[3] RWAs: Includes Basel III impact of CVA, SME reduction factor and securitisations.
[4] 2009 Preference Shares of €1.8bn will be grandfathered as Common Equity Tier 1 until 31 Dec 17.
[5] With effect from 1 Jan 13 an amount of 0.6% for the Group's participation in its life and pensions business is deducted 50:50 from Core tier 1 and tier 2 capital in accordance with the Capital Requirements Directive.

Basel III - Pro-forma Fully Loaded Ratio

- The Capital Requirements Regulation (CRR) was published in the Official Journal of the EU on 27 Jun 13 and will apply from 1 Jan 14. A number of items are required to be clarified through EBA technical documents
- Current assumption is that Common Equity Tier 1 regulatory requirement under Basel III will be 10% for Bank of Ireland and, on a transitional basis the Group would expect to maintain a buffer above this requirement
- The Group's pro forma CET1 ratio, including the 2009 Preference shares (which will continue to be considered as CET1 until 31 Dec 17) is estimated at 8.6%

Deferred Tax

- Will be reduced by future profits over time. No longer required to be risk weighted

Pension Deficit

- Expected to reduce. Engagement with stakeholders being actively progressed

Significant Investments / NIAC

- c.50% of NIAC investment deducted from CT1 which reduces the impact of the movement to a Basel III fully loaded ratio[5]

Divisional Performance

Bank of Ireland Group

Retail Ireland	H1 2012 €m	H2 2012 €m	H1 2013 €m
Operating profit pre-impairment	51	103	159
Impairment charges	(660)	(489)	(497)
Underlying loss / profit before tax[1]	(611)	(378)	(339)

BOI Life	H1 2012 €m	H2 2012 €m	H1 2013 €m
Operating profit	39	39	42
Impairment charges	-	-	-
Underlying loss / profit before tax[1&2]	36	60	40

Retail UK	H1 2012 €m	H2 2012 €m	H1 2013 €m
Operating profit pre-impairment	2	13	77
Impairment charges	(197)	(226)	(207)
Underlying loss / profit before tax[1]	(179)	(189)	(112)

Corporate & Treasury	H1 2012 €m	H2 2012 €m	H1 2013 €m
Operating profit pre-impairment	243	264	305
Impairment charges	(87)	(70)	(76)
Underlying loss / profit before tax[1]	156	194	229

Group Centre	H1 2012 €m	H2 2012 €m	H1 2013 €m
Operating profit pre-impairment	(295)	(253)	(201)
Impairment charges	(40)	-	-
Underlying loss / profit before tax[1]	(335)	(253)	(201)

[1] Underlying loss / profit before tax includes share of associates / JVs.
[2] BOI Life contains New Ireland Assurance Company.

Other Income Analysis (Net)

Bank of Ireland Group

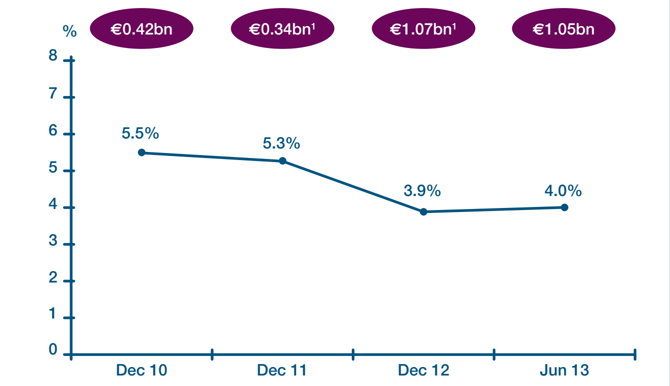
Net Other Income	H1 2012 €m	H2 2012 €m	H1 2013 €m
Retail Ireland	141	139	144
Bank of Ireland Life	74	59	64
Retail UK	32	8	2
Corporate and Treasury	91	53	84
Other	-	(13)	5
Business Income	**338**	**246**	**299**
Other Items (see below)	(91)	2	20
Net other income	**247**	**248**	**319**
Other Items			
Fair value movements in derivatives economically hedging the Group's Balance Sheet	(50)	(7)	(3)
Transfer from available for sale reserve on asset disposal	35	25	17
Economic Assumptions - Bank of Ireland Life	(9)	6	(9)
Investment Variance - Bank of Ireland Life	6	15	7
Fair value movement on Contingent Capital note embedded derivative	(13)	(9)	(7)
Gain / Loss on sale of assets to NAMA	6	(7)	-
IFRS Income Classification	(66)	(21)	15
Total Other Items	**(91)**	**2**	**20**

- Business income decreased €39m on H1 2012, increased €53m on H2 2012
- Retail Ireland increased €3m as a result of increased fee income
- BOI Life decreased by €10m reflecting a change in mix of income. Total income in BOI Life up 4%
- Retail UK decreased by €30m primarily due to higher commissions following extension and strengthening of relationship with UK Post Office
- Corporate and Treasury decreased €7m due to lower activity levels

Pension - size of deficit and new accounting standard

Bank of Ireland Group

EUR AA Corporate Bond Curve



IAS19 (Revised) Impact

	H1 2012	H2 2012	H1 2013
Pension costs under previous standard	52	50	63
Impact of revised standard	5	6	20
Recoveries			
- 2011 Pension Levy	-	(20)	(2)
- 2012 Pension Levy	-	(23)	(2)
Total reported pension costs	**57**	**13**	**79**

[1] Dec 11 and Dec 12 have been restated for the adoption of IAS19 (Revised).

- Asset performance positive - returns of c.11% in 2012 and c.1% in H1 2013
- Deficit reducing contributions from the 2010 pensions review continue (2012 - €120m, H1 2013 - c.€30m)
- Reduction in discount rate from 5.3% in Dec 11 to 4.0% in Jun 13 has led to a sharp increase in the present value of the pension liabilities and the pension deficit

IAS19 (Revised) impact on pension expenses

- IAS19 (Revised) for ‘employee benefits’ came into effect 1 Jan 13
- An EUR AA corporate bond is now used to set the assumed return on pension assets (in line with the discount rate for pension obligations) each year at 31 Dec
- These changes, together with the size of the pension deficit, have led to an increase of c.€20m, in the reported pension cost
- IAS19 (Revised) does not change the economic cost of providing pension benefits - it changes how costs are reported
- The H2 2012 charge includes the recovery of Government pension levies

Non-Core Items

Bank of Ireland Group

Non-Core Items	H1 2012 €m	H2 2012 €m	H1 2013 €m
Charges arising on the movement in credit spreads on the Group's own debt and deposits accounted for at 'fair value through profit or loss'	(125)	(172)	(88)
Cost of restructuring programmes	(66)	(84)	(50)
Gross-up for policyholder tax in the Life business	11	5	18
Gain on liability management exercises	52	17	4
Loss on disposal / liquidation of business activities	(14)	(55)	-
Loss on deleveraging of financial assets	(206)	(120)	(4)
Gain on Contingent Capital Note[1]	21	58	-
Investment return on treasury stock held for policyholders	-	(1)	(1)
Total non-core items	**(327)**	**(352)**	**(121)**

[1] The gain on remeasurement of the Contingent Capital Note of €21m has been reclassified from net interest income to non-core items to ensure consistent presentation with the year ended 31 Dec 12.

Stockholders' Equity and Tangible Net Asset Value

Bank of Ireland Group

Movement in Stockholders' Equity		Dec 12 €m	Jun 13 €m
Stockholders' equity at beginning of period		10,265	8,657
Movements:	Loss attributable to stockholders	(1,835)	(454)
	Dividends paid on preference stock	(196)	(192)
	Foreign exchange movements	136	(147)
	Cash flow hedge reserve movement	148	(115)
	Available for sale (AFS) reserve movements	875	166
	Pension fund obligations	(775)	17
	Other movements	39	-
Stockholders' equity at end of period		**8,657**	**7,932**

Tangible net asset value		Dec 12 €m	Jun 13 €m
Stockholders' equity at end of period		8,657	7,932
Deductions:	2009 Preference Stock	(1,837)	(1,837)
	Intangible assets	(362)	(364)
	1992 Preference Stock	(61)	(60)
	Own stock held for benefit of life assurance policy holders	14	13
Tangible net asset value (TNAV)		**6,411**	**5,684**
Number of shares		30,133	30,133
TNAV per share (€ cent)		21c	19c

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