

1. Strong retail & commercial customer franchises; well positioned for profitable growth

Continue to proactively support and benefit from Irish economic growth

- ▶ Leading bank in a growing economy; largest lender to the Irish economy during H1 2015
 - ▶ #1 business bank with > 50% market share of new SME/Agri lending
 - ▶ 1 in 4 mortgage drawdowns, c.27% of savings market and #2 life insurer
 - ▶ #1 corporate bank with > 30% market share; leading share of new FDI relationships

International diversification; significant progress in H1 2015 – outlook positive

- ▶ United Kingdom – A leading consumer bank in an attractive economy
 - ▶ Exclusive financial services partner of UK Post Office; Recently announced long term partnership with AA complementing the Post Office partnership
 - ▶ UK mortgage book now growing after several years of deleveraging, new lending in H1 2015 of £1.3bn (£0.6bn H1 2014)
- ▶ Niche International Corporate lending
 - ▶ Acquisition finance: Well recognised lead arranger/underwriter of mid-market transactions, both in US and Europe; Generates attractive margins and strong fee income

2. Underlying profit of €743m for H1 2015; >100% increase over H1 2014

- ▶ Increased total income by €284m to €1,759m in H1 2015 (+19% vs H1 2014)
- ▶ Customer loan impairment charge of 36bps for H1 2015 vs. 97bps in H1 2014; charge reduced across all loan portfolios. Expect H2 2015 impairment charge to remain at broadly similar levels to H1 2015 charge
- ▶ All trading divisions profitable

3. Balance Sheet; Capital and liquidity available to support growth

Asset quality continues to improve

- ▶ Defaulted loans fell by €1.8bn to €12.5bn in 9 months to Sep 15; all asset classes reduced; Reduction of €5.8bn from peak in Jun 13

Stable retail oriented deposit franchises

- ▶ Customer deposits of €78bn at Sep 15 funding >90% of Group loans
- ▶ Strong liquidity ratios: NSFR of 121%, LCR of 101% and LDR of 108% at Jun 15 (LDR 108% at Sep 15)

Continuing to access wholesale markets at economic costs

- ▶ c.€3.6bn debt issuance YTD Oct 2015 (of which €2.6bn ACS, €1bn Senior Unsecured)
- ▶ Wholesale funding requirement continues to reduce, €15bn at Sep 2015 down €5bn from Dec 14

Strong organic capital generation continues YTD

Capital ratios	31 Dec 14	30 Sep 15	Change
CET1 ratio - Transitional	14.8%	15.8%	+100bps
CET1 ratio - Fully Loaded (excl. 2009 Prefs)	9.3%	10.6%	+130bps
Total Capital ratio	18.3%	20.7%	+240bps

- ▶ Continue to expect to maintain a buffer above a CET 1 ratio of 10%, taking account of the transitional rules and our intention to de-recognise 2009 Preference Shares in 2016
- ▶ Total Capital ratio of 20.7% reflects CET1 increase and €750m AT1 issuance in Jun 15

4. Positive Credit Rating action

- ▶ Now restored to Investment Grade by Moody's and Standard & Poor's, reflecting the Group's progress

Disclaimer

For more information, this document should be read in conjunction with our Interim Report for the six months period ended 30 June 2015, which is available on www.bankofireland.com.

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