

The Governor and Company of the Bank of Ireland ('Bank of Ireland' or the 'Group')

Update in relation to Bank of Ireland's EU Restructuring Plan – 26 June 2014

In July 2013, the European Commission approved certain amendments to the Group's EU Restructuring Plan. The key amendment was that the Group was permitted to retain its New Ireland Life Assurance business, which is the second largest Life and Pension provider in Ireland. As part of this, the Group agreed to the sale of the ICS Building Society's ('ICS') distribution platform and, if required by the purchaser, a book of mortgages at a minimum of par and a similar quantum of matching deposits.

On 25 June 2014, Bank of Ireland agreed to sell the ICS distribution platform, together with a €250m gross performing mortgage asset pool to Dilosk Limited¹ ('Dilosk') at par. No deposits are transferring as part of the sale.

Bank of Ireland is participating in the financing of the acquisition by providing €100m of senior finance to Dilosk.

The completion of this transaction is subject to the satisfaction of regulatory and other approvals, which are standard for a transaction of this nature.

The ICS sale is the final divestment commitment to be completed by the Bank under its EU Restructuring Plan.

Bank of Ireland was advised by IBI Corporate Finance on this transaction.

Ends.

For further information please contact:

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¹ Dilosk is a new entrant to the Irish mortgage market and, following the completion of this transaction, intends to originate residential mortgages via the intermediary broker channel