

## The Governor and Company of the Bank of Ireland (the "Group")

### Update on the resolution strategy for the Group

3 February 2017

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The Single Resolution Board, acting as the Group Level Resolution Authority, and the Bank of England, working together within the Resolution College, have reached a Joint Decision on the group resolution plan for the Group and have advised the Group that their preferred resolution strategy for the Group consists of a single point of entry bail-in strategy through a group holding company. Pursuant to this strategy, the Group expects to establish a holding company ("HoldCo") which would become the parent company of the Group.

While it is not expected to impact on the Group's reported CET1 ratios, a HoldCo structure may adversely impact the consolidated Group's reported Total Capital and Tier 1 capital ratios. This would arise due to the required de-recognition under Articles 85 and 87 of the Capital Requirements Regulation of a proportion of existing subordinated debt. The impact would depend on the timing of a HoldCo establishment, absolute capital levels and the capital structure at the time of establishment, and any mitigating actions the Group may take. Any impact arising would be eliminated as the relevant subordinated debt is redeemed.

Further details on the expected establishment of a HoldCo, which would require shareholder approval, will be announced in due course.

Ends.

For further information please contact:

Bank of Ireland

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#### **Forward Looking Statement**

This document 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, level of ownership by the Irish Government, 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 pension schemes, estimates of capital expenditures, discussions with Irish, United Kingdom, European and other regulators and plans and objectives for future operations.

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 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.