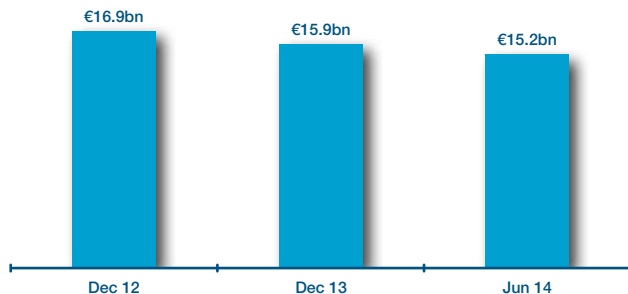


Impact of ECB tracker mortgage loan book

Bank of Ireland Group 

Irish tracker book (gross)



Volume of loans

- ▶ Reduced by €0.7bn in 2014 (€1.7bn since Dec 12)
- ▶ €13bn or 85% of trackers at Jun 14 are on a capital and interest repayment basis

Margin impacts

	Dec 13 (bps)	Jun 14 (bps)
Customer pay rate (avg)	130	120
- ECB repo rate ¹	25	15
- Average fixed spread	105	105
Cost of funds ²	126	115
Net interest margin	4	5

Net interest margin

- ▶ Net interest margin from ECB tracker mortgages is broadly neutral
- ▶ Profit impacts relate to servicing costs and impairment charges

¹ ECB repo rate at period end.

² Average cost of funds to BOI in H2 2013 and H1 2014.