

Bank of Ireland

**Joint Committee on Arts, Heritage,
Regional, Rural and Gaeltacht Affairs**

9 November 2016

Bank of Ireland 

For small steps, for big steps, for life

Forward- Looking statement

This document contains certain forward-looking statements 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 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.

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:

- ▶ geopolitical risks which could potentially adversely impact the markets in which the Group operates;
- ▶ uncertainty following the UK vote to exit the EU as to the nature, timing and impact of a UK exit, could impact the markets in which the Group operates including pricing, partner appetite, customer confidence and demand, and customers' ability to meet their financial obligations and consequently the Group's financial performance, balance sheet and capital;
- ▶ concerns on sovereign debt and financial uncertainties in the EU and the potential effects of those uncertainties on the financial services industry and on the Group;
- ▶ general and sector specific economic conditions in Ireland, the United Kingdom and the other markets in which the Group operates;
- ▶ the ability of the Group to generate additional liquidity and capital as required;
- ▶ property market conditions in Ireland and the United Kingdom;
- ▶ the potential exposure of the Group to credit risk and to various types of market risks, such as interest rate risk and foreign exchange rate risk;
- ▶ the impact on lending and other activity arising from the emerging macro prudential policies;
- ▶ the performance and volatility of international capital markets;
- ▶ the effects of the Irish Government's stockholding in the Group (through the Ireland Strategic Investment Fund) and possible changes in the level of such stockholding;
- ▶ changes in applicable laws, regulations and taxes in jurisdictions in which the Group operates particularly banking regulation by the Irish and United Kingdom Governments together with the operation of the Single Supervisory Mechanism and the establishment of the Single Resolution Mechanism;
- ▶ the impact of the continuing implementation of significant regulatory developments such as Basel III, Capital Requirements Directive (CRD) IV, Solvency II and the Recovery and Resolution Directive;
- ▶ the exercise by regulators of powers of regulation and oversight in Ireland and the United Kingdom;
- ▶ the introduction of new government policies or the amendment of existing policies in Ireland or the United Kingdom;
- ▶ the outcome of any legal claims brought against the Group by third parties or legal or regulatory proceedings more generally, that may have implications for the Group;
- ▶ the development and implementation of the Group's strategy, including the Group's ability to achieve net interest margin increases and cost reductions;
- ▶ the inherent risk within the Group's life assurance business involving claims, as well as market conditions generally;
- ▶ potential further contributions to the Group sponsored pension schemes if the value of pension fund assets is not sufficient to cover potential obligations;
- ▶ the Group's ability to address weaknesses or failures in its internal processes and procedures including information technology issues and equipment failures and other operational risk;
- ▶ the Group's ability to meet customers' expectations in mobile, social, analytics and cloud technologies which have enabled a new breed of 'digital first' propositions, business models and competitors;
- ▶ failure to establish availability of future taxable profits, or a legislative change in quantum of deferred tax assets currently recognised; and
- ▶ difficulties in recruiting and retaining appropriate numbers and calibre of staff.

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.

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About the Bank of Ireland Group

BOI Overview: Business profile

Ireland: Leading bank in a growing economy with a well structured market

Bank of Ireland Group 

Comprehensive
multi-channel
distribution
platform



c.250 branches



c.1,770 -
Self-service
devices



71% of consumers are
now digitally active



c.440k active
mobile customers



830k service calls
monthly / 24 x 7

Market
leading
positions

Consumer
Banking

c.3 out of every 10
new mortgages in H1
2016

Wealth Management
incl. New Ireland

Life Assurance
c.19% APE
market share

Business
Banking

#1 Business Bank
>50% of new SME
/ Agri lending

Corporate
Banking

#1 Corporate Bank
>30% Corporate
market share

Strong
relationships
with customers

c.1.7m
Customers

c.500k
Customers

c.183k SME
Customers

>60% FDI

Service and presence in Ireland

- Largest lender to the Irish economy:
 - January to June 2016: advanced new and increased lending of €3.5 billion to Irish businesses and consumers
 - Serving 1.7 million personal and 183,000 business customers
 - Ireland's Number 1 business bank providing c.50% of new lending to the SME and agriculture sectors
- Largest retail branch network:
 - We have maintained a strong countrywide presence with over 250 branches nationwide
 - Providing c.1,770 self service devices for our customers
 - Working with our 440,000 customers who actively use mobile devices for their banking

**Supporting enterprise
development in the
communities we serve**

- An active nationwide enterprise development programme:
 - Delivered through our 250-strong branch network
 - National Enterprise Week takes place in May and November each year
 - During last National Enterprise Week (May 2016) the bank hosted 750 events nationwide with 2,900 businesses taking part
 - During 2016 the bank will host 100 Enterprise Towns – the programme reaches every county in Ireland
 - Enterprise Town is a community-based two day event which sees the local business community – along with sporting, social and charitable organisations – coming together to support the local town, community and economy
 - Supported by sponsorships including the National Ploughing Championships, Bank of Ireland Sponsor for a Day, Start Up Awards

Supporting innovation and entrepreneurship

- Supporting innovation throughout our network:
 - Over 2015 and 2016 we have pioneered the development of spaces within branches which support start up companies and entrepreneurs – workbenches
 - Workbenches offer working and meeting spaces free of charge
 - Spaces in Dublin, Cork and Galway – and one to open in Limerick this week
 - So far, more than 500 companies have used a Bank of Ireland workbench to help their business get up and running
 - Startlab – the first bank incubator in Ireland – also based in Galway
 - Designed to incubate high potential start-ups to scale rapidly
 - All complemented by thinkbusiness.ie – the ‘go to’ reference point for businesses offering practical advice and support

Community engagement

- Supporting and engaging customers and members of the public:
 - Team of advisors – Digital Arrows – who bring digital training, support and knowledge to community groups and customers across Ireland
 - Digital Arrow in each of our 250 branches – engaging with active retirement groups, transition year students, business customers, community groups and others
 - So far this year almost 3,000 sessions have been held with customers
 - Bank of Ireland also supports creative sponsorships in the fashion world with Junk Kouture, in the technology space with Coder Dojo, and with Bizworld which teaches children how to run a business and bring a product to market
 - Our 250 strong branch network is utilised to support these sponsorships and the community engagement they facilitate

- Corporate Social Responsibility:
 - Bank of Ireland's Corporate Social Responsibility (CSR) programme aims to have a positive impact in every community in which we operate
 - The bank's charitable giving scheme – Give Together – has raised over €25.5 million since its inception in 2007
 - The Bank of Ireland Group was accredited with the Business in the Community Ireland 'Business Working Responsibly Mark' in 2016 and is now one of 23 companies to be certified to this international standard in Ireland
 - The bank's latest Responsible Business Report (February 2016) provides a comprehensive account of all activities taking place across the pillars of Customer, Community, Colleagues, Environment, and Governance (copy of report submitted to Committee as part of this presentation)

Conclusion

- Largest lender to the Irish economy
- Largest retail branch network
- Active nationwide enterprise development programme
- Supporting innovation through our network
- Supporting and engaging customers and members of the public
- Active CSR programme which aims to have a positive impact in every community in which we operate