

BRIAN GOGGIN
GROUP CHIEF EXECUTIVE
DAVY CONFERENCE
MAY 18TH 2005

Year End Highlights

Profit Before Tax & Exceptionals



+5%

Alternative EPS



+7%

PBT (excluding UK POFS)



+10%

Alternative EPS (excluding UK POFS)



+9%

Dividend



+10%

Return on Equity

22.4%



Robust Divisional Performances

- **Retail Republic of Ireland & Bank of Ireland Life**
 - Excellent Growth in Volumes and Product Sales
 - Significant Market Share Gain in Life
 - Considerable Progress in Business Banking
- **Wholesale Financial Services**
 - Consolidating our Strong Domestic Franchise
 - Exploiting Niche International Opportunities
- **Asset Management Services**
 - Experienced Investment Team Focused on Performance
- **UK Financial Services**
 - Significant Growth Potential
 - Resolving Specific Challenges
 - Strong Mortgage Business
 - Business Banking Loan Growth



Strong Growth in Volume

Retail Financial Services

Mortgages	+ 27%
Business Lending	+ 23%
Personal Lending	+ 21%
Total Lending	+ 24%

Resources + 12%

UK Financial Services

Mortgages	+ 9%
Commercial Loans	+19%
Total Lending	+12%

Resources + 2%

Wholesale Financial Services

Corporate Banking
Lending +26%



Progress on Post Office Joint Venture

“To provide simple, value-for-money products delivered through a convenient personalised service.”

- Proven sales effectiveness model now established
- 3 million people on mailing database
- 100,000th customer this week
- Targeting 400,000 customers by March 2006



UK Post Office Financial Services

Product Launch Schedule

Products Launched in Year 1 (04/05)		Products Scheduled for Year 2 (05/06)
Personal Loans	Mar 04	Extended Growth Bond Range
Car Insurance	July 04	Credit Cards
Growth Bonds	Oct 04	Instant Access Account
GEBs	Oct 04	Mortgages (Pilot)
Home Insurance	Nov 04	Term Protection (Pilot)
Child Trust Funds	Jan 05	



UK Post Office Financial Services

Building a sales climate whilst offering a competitive product suite

Sales Transformation Programme

•Segmentation

Branches divided into three divisions:

- Top 3000: Diamond
- Next 5000: Platinum
- Remaining 7000: Gold

•Sales Management

Sales General Managers appointed for each division, supported by a team of Financial Services coaches

•Sales Training

Sales Managers and coaches building the foundations of a focussed sales model and implementing a strong sales culture

Very Competitive Products

- Personal Loan – Top 5 in the market
- Car Insurance – one-third less than market average
- Home Insurance – 30% less than market average
- Growth Bonds – 5% per annum
- GEBs – second best in market
- Child Trust Funds – Top 3 product in stakeholder market

Milestone of 100,000 customers achieved in May 2005

Target is 400,000 customers by March 2006



The Macro-economic Environment

Ireland

2005 (F)

- GDP 6%
- Continued low interest rates
- 55,000 new jobs
- Unemployment 4.2%
- Inflation 2.2%
- Strong Demographics

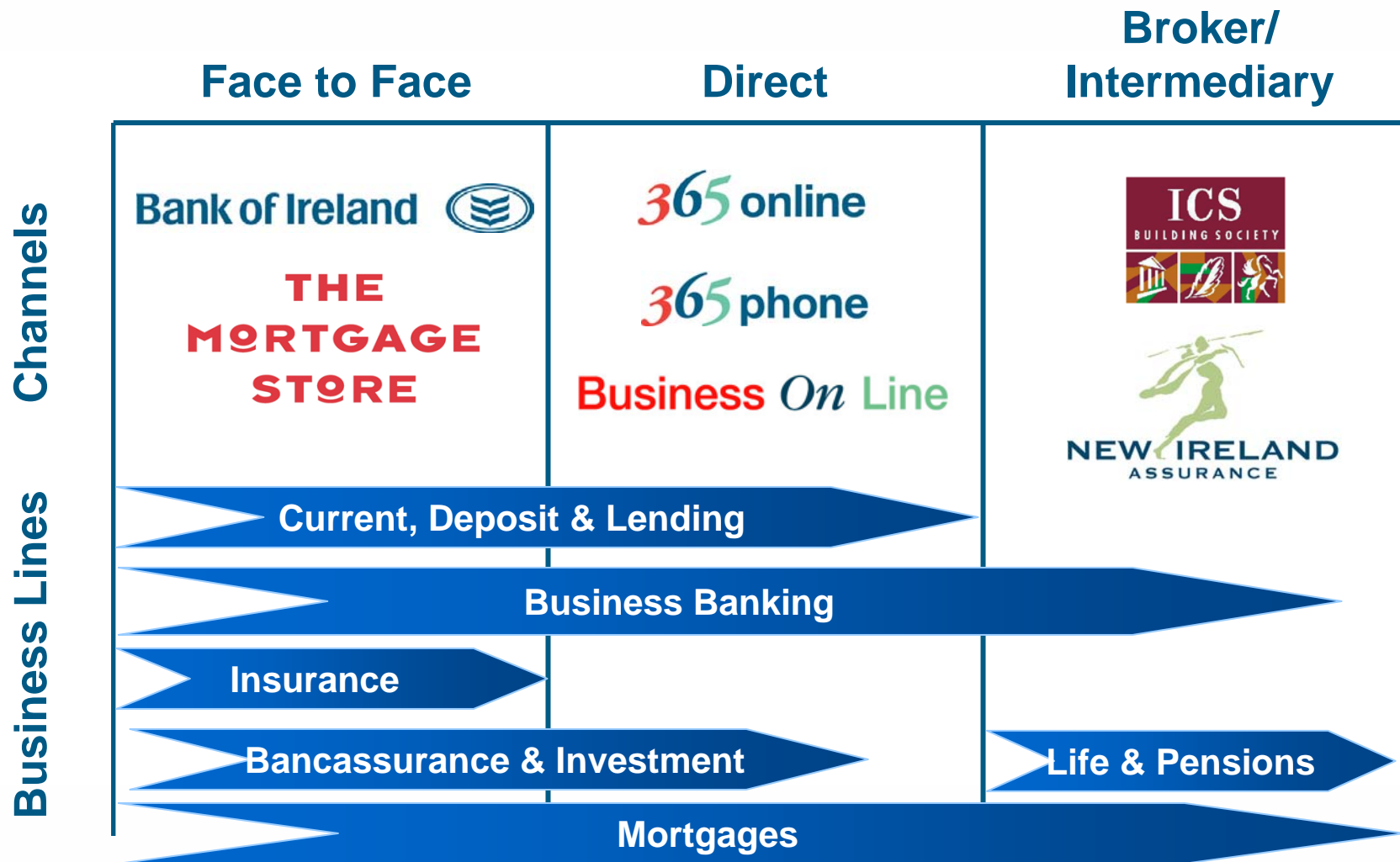
UK

2005 (F)

- GDP 2.8%
- Inflation 1.9%
- Unemployment 2.6%



Overall, Retail Ireland Is Well Positioned to Meet the Challenge of an Increasingly Competitive Market



Strategic Transformation Programme



Initiatives for implementation

Retail Ireland (40%)

Back office functions

Small number of branch closures

Group Support Services (40%)

Procurement

HR & Learning

Facilities

IT Infrastructure

Process Consolidation (20%)

Contact centres

Credit underwriting



Retail Republic of Ireland

Excellent Overall Performance

- PBT +17%
- Income +10%
 - Volume Growth
 - Resources +12%
 - Mortgages +27%
 - Personal Lending +21%
 - Business Lending +23%+24%
 - Margin Attrition of 34bps
 - Product Spreads
 - Wholesale Funding
 - Strong Fee Income (+5% growth) from Branch Network & Private Banking
- Costs + 7%
- Mainly Staff Costs & Depreciation
- Loan Loss Charge 18bps (Mar 04 23bps)

Net Interest
Income +12%

Other Income
+5%



Bank of Ireland Life

- Strong Growth in Operating Profit +17%
- New Business Profitability +16%
- APE Sales +13%
- Market Share 24%
 - Up by 3 percentage points
- Prudent Underlying Actuarial Assumptions
- Excellent Financial Strength
 - Solvency Cover 2.7 times



Wholesale Financial Services

Profit Before Tax - Business Analysis

6 months

Sept 04

€m

March 05

€m

March 04

€m

**%
Change**

101 Corporate Banking

182

158

15

64 Global Markets

127

143

(11)

51 Other*

98

70

40

216 WFS

407

371

10

* Includes First Rate Enterprises, Davy and IBI Corporate Finance



Asset Management Services

BIAM – Assets under Management

	6 months	6 months	Full Year	Full Year
	Sept 04	Mar 05	Mar 05	Mar 04
	€bn	€bn	€bn	€bn
Opening AUM	57.5	55.7	57.5	42.7
Net Cashflow	(2.0)	(11.5)	(13.5)	2.4
Performance	0.2	2.7	2.9	12.4
Closing AUM	55.7	46.9	46.9	57.5



UK Financial Services

6 months

Sept 04

Stg £m

March 05

Stg £m

March 04

Stg £m

%

Change

62	Personal Lending UK (Mortgage Business)	131	156	(16)
64	Business Banking (GB Business Banking & NI)	118	99	19
2	Consumer Banking (B&W Branches & Chase de Vere)	6	0	
<u>6</u>	<u>Other</u>	<u>10</u>	<u>4</u>	150
134		265	259	2



UK Financial Services Lending & Resources

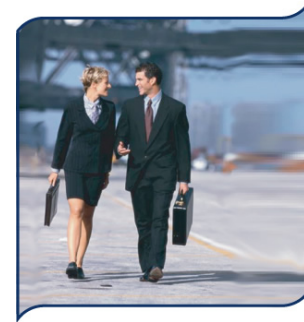
6 months Sept 04 Stg £bn		March 05 Stg £bn	March 04 Stg £bn	% Change
	Residential Mortgages			
11.3	▪ Standard	10.7	10.9	(2)
	▪ Non-Standard			
3.7	• Buy to Let	4.2	3.4	24
<u>2.2</u>	• Specialised	<u>2.7</u>	<u>1.8</u>	50
17.2		17.6	16.1	9
<u>6.6</u>	Commercial Loans	<u>7.4</u>	<u>6.2</u>	19
23.8	Loan Book	25.0	22.3	12
13.1	Resources	13.2	12.9	2



Summary

- Excellent financial performance for the year
 - Alternative EPS (excluding POFS) up 9%
 - Return on Equity 22.4%
 - Asset Quality remains very strong
- Positive outlook for Group underpinned by:
 - Strong business pipeline
 - Excellent asset quality
 - Prudent capital and funding
 - Strength of Irish economy
 - Actions being taken to address specific challenges
- Optimistic on Group's performance for the year to March 06





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