



# Davy Equity Conference

New York

5<sup>th</sup> January 2007

Brian Goggin  
Group Chief Executive

# Forward Looking Statement

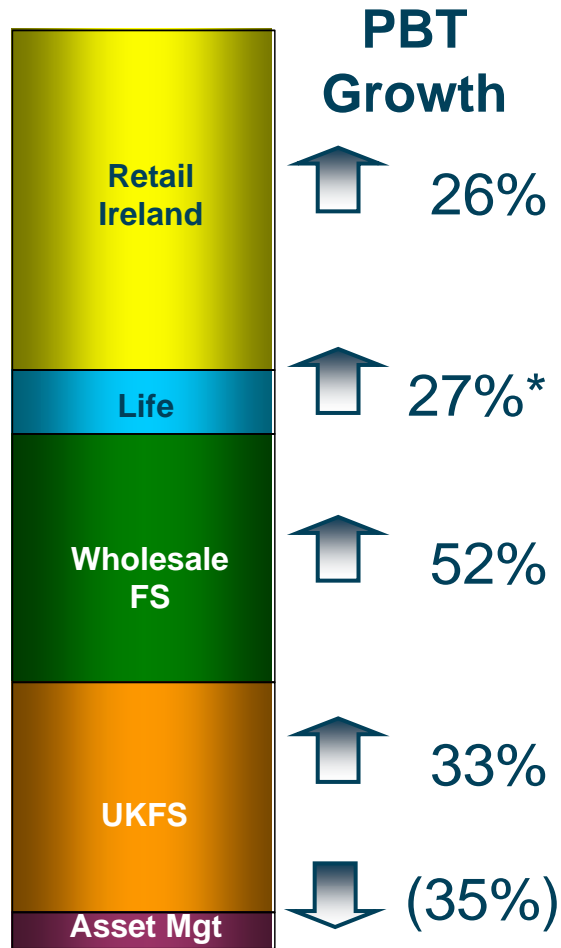
This document contains certain forward-looking statements as defined in the US Private Securities Litigation Reform Act of 1995 with respect to certain of the Group's plans and its current goals and expectations relating to its future financial condition and performance and the markets in which it operates. Because such statements are inherently subject to risks and uncertainties, 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 risks and uncertainties relating to profitability targets, prevailing interest rates, the performance of the Irish and the UK economies, the performance and volatility of international capital markets, the expected level of credit defaults, the Group's ability to expand certain of its activities, development and implementation of the Group's strategy, including the ability to achieve estimated cost reductions, competition, the Group's ability to address information technology issues and the availability of funding sources. Any forward-looking statements speak only as of the date they were made. The Bank of Ireland 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. The reader should however, consult any additional disclosures that the Group has made or may make in documents it has filed or submitted or may file or submit to the U.S. Securities and Exchange Commission.

# Interim highlights

	Sept 2006	Sept 2005	Change
<b>Underlying Profit Before Tax</b>	€852m	€665m	↑ 28%
<b>Underlying Earnings Per Share</b>	73.0c	57.3c	↑ 27%
<b>Profit Before Tax</b>	€887m	€848m	↑ 5%
<b>Earnings Per Share</b>	76.7c	74.6c	↑ 3%
<b>Annualised Impairment Losses</b>	9bps	11bps	↓ 2bps
<b>Dividend</b>	21.0c	18.2c	↑ 15%
<b>Return on Equity</b>	25%	25%	
<b>Cost Income Ratio</b>	53%	57%	↓ 4 %
<b>Tier 1 Capital Ratio</b>	7.7%	7.3%	↑ 0.4

Note: Underlying excludes the impact of non-core items: gain on disposal of business assets; gross-up for policyholder tax in the Life business; hedge ineffectiveness on transition to IFRS and restructuring programme.

# Strong performance across the Group



\*Operating profit

- Group underlying PBT growth +28%
- Excellent performance in Retail and Wholesale
- Strong turnaround in UKFS
- Strong operating profit from Life - PBT impacted by negative investment variance & discount rate change in prior period
- Asset Management profit as expected

% PBT by Geography	60% Ireland	25% UK	15% Rest of World

# Performance drivers to 30 September 2006

## Underlying Income +14%

- Strong volumes driving income growth
  - Lending & resources volumes +24%
- Slowing rate of margin attrition
  - Down 11bps to 1.68% (adjusted)
- Excellent performance in fee earning activities

## Underlying Costs +5%

- Cost growth firmly managed
- Cost income ratio reduced: 57% to 53%
- Focus on costs across all divisions
- Excellent progress on Strategic Transformation Programme

## Asset Quality 9bps

- Excellent asset quality: 9bps annualised charge on average loans
- Benign economic environment
- Well structured and seasoned loan book

## Capital

- Strong capital position
  - Tier 1 Capital 7.7%
  - Total Capital 10.9%

# Our vision remains

## Our Vision:

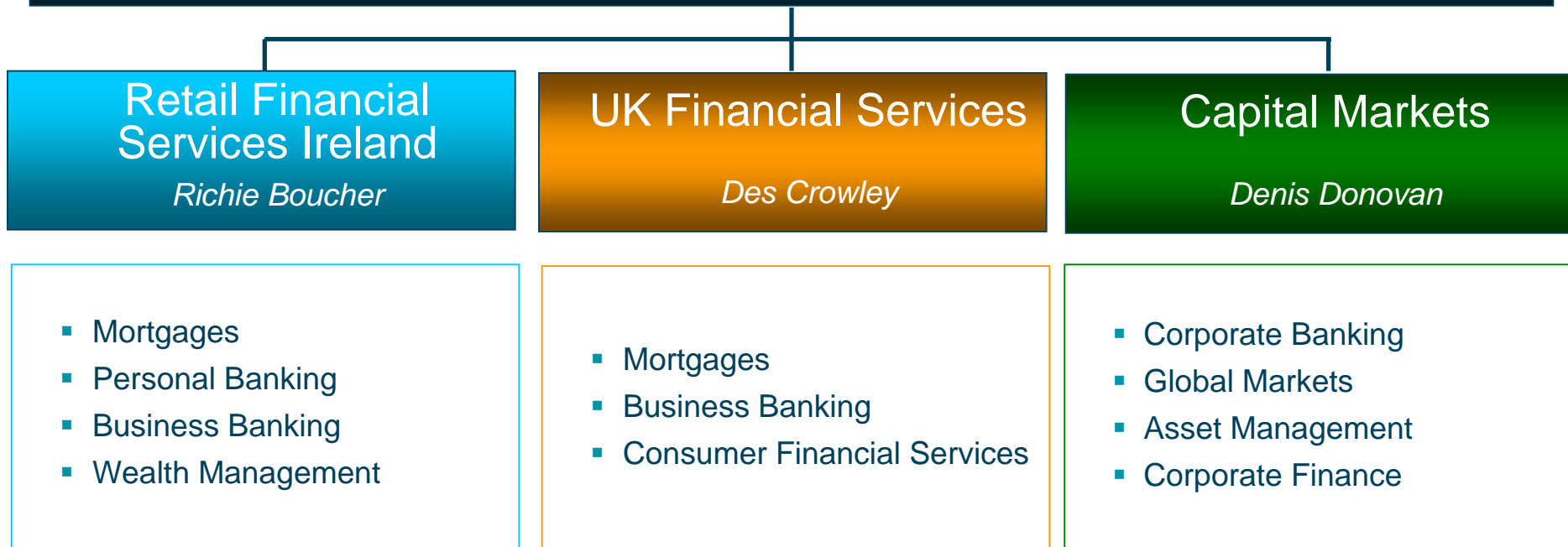
**“To be the number one bank in Ireland with dynamic businesses growing internationally”**

## Our Strategy:

- Maximise returns from our leading position in Ireland
- Substantially grow our businesses in the UK
- Grow our portfolio of niche, skill-based businesses internationally

# Bank of Ireland

## Bank of Ireland Group



### % PBT by Division

RFSI		UKFS	Capital Markets
Retail Ireland	Life		
<b>37%</b>	<b>7%</b>	<b>24%</b>	<b>32%</b>

# Maximising returns from leading position in Ireland

Retail Financial Services  
Ireland

Capitalising on broadest  
'footprint' in the Irish market

## Competing from a position of strength

- Leading distribution capability
  - Branch network
  - Intermediary propositions
  - Direct channels
- Broadest product offering
  - Mortgages & consumer banking
  - Business Banking
  - Wealth Management
    - Bank of Ireland Life
    - Private Banking
- Delivering service excellence
  - Consistency
  - Best Practice
  - Focus

# Maximising returns from leading position in Ireland

**Retail Financial Services  
Ireland**  
**Clear strategy delivering  
results**

## Delivering results

PBT	Retail +26% Life +27%*
Volumes	Mortgages +25% Business Banking +29% Personal Lending +19% Resources +16% APE Sales +26%
Customer Acquisition	Increase of almost 50,000 customers
Customer Service	Improved customer satisfaction ratings: <ul style="list-style-type: none"> <li>▪ Branch service satisfaction: 83%</li> <li>▪ 3 minute queues: 81%</li> <li>▪ Relationship manager satisfaction: 84%</li> </ul>
Market Position	Number 1 or 2 in all major products

\* Operating Profit

# Substantially grow our businesses in the UK

**UKFS**

**Restructured, refocused and delivering**

## Business Banking

- Focus on SME & Mid Corporate
- Market niches - healthcare, leisure, professional services & property
- 11 business hubs
- Skilled relationship bankers delivering integrated service

## Mortgages

- Specialist provider
- Broker distribution
- Differentiate on service

## Consumer Financial Services

- Joint ventures with UK Post Office
  - First Rate Exchange Services
  - Post Office Financial Services
- Key differentiators
  - Distribution
  - Trusted brand
  - Sales effectiveness

# Substantially grow our businesses in the UK

**UKFS**

Clear strategy delivering results – PBT+33%

## Business Banking

- PBT +30%
- Strong volumes
  - Loan book +47%
  - Resources +25%
- Balanced growth

## Mortgages

- PBT +14%
- Strong volumes
  - Mortgage book +15%
  - Specialist +25%
- Excellent arrears experience

## Consumer Financial Services

- POFS financial performance on track
  - Over 750,000 customers
  - 50,000 new customers per month
- Strong product demand
- Building a sustainable insurance and savings business

# Grow niche skill-based businesses internationally

Capital Markets

Building on experience & investing for growth

## Corporate Banking

- Full banking services in Ireland
- Provide financing & related services in specialist, skill-based, niche areas globally
- Competitive strengths
  - Origination
  - Credit assessment
  - Underwriting & syndication
  - Deal structuring, arranging & execution
  - Relationship management
- Offices in Ireland, UK, US, France & Germany

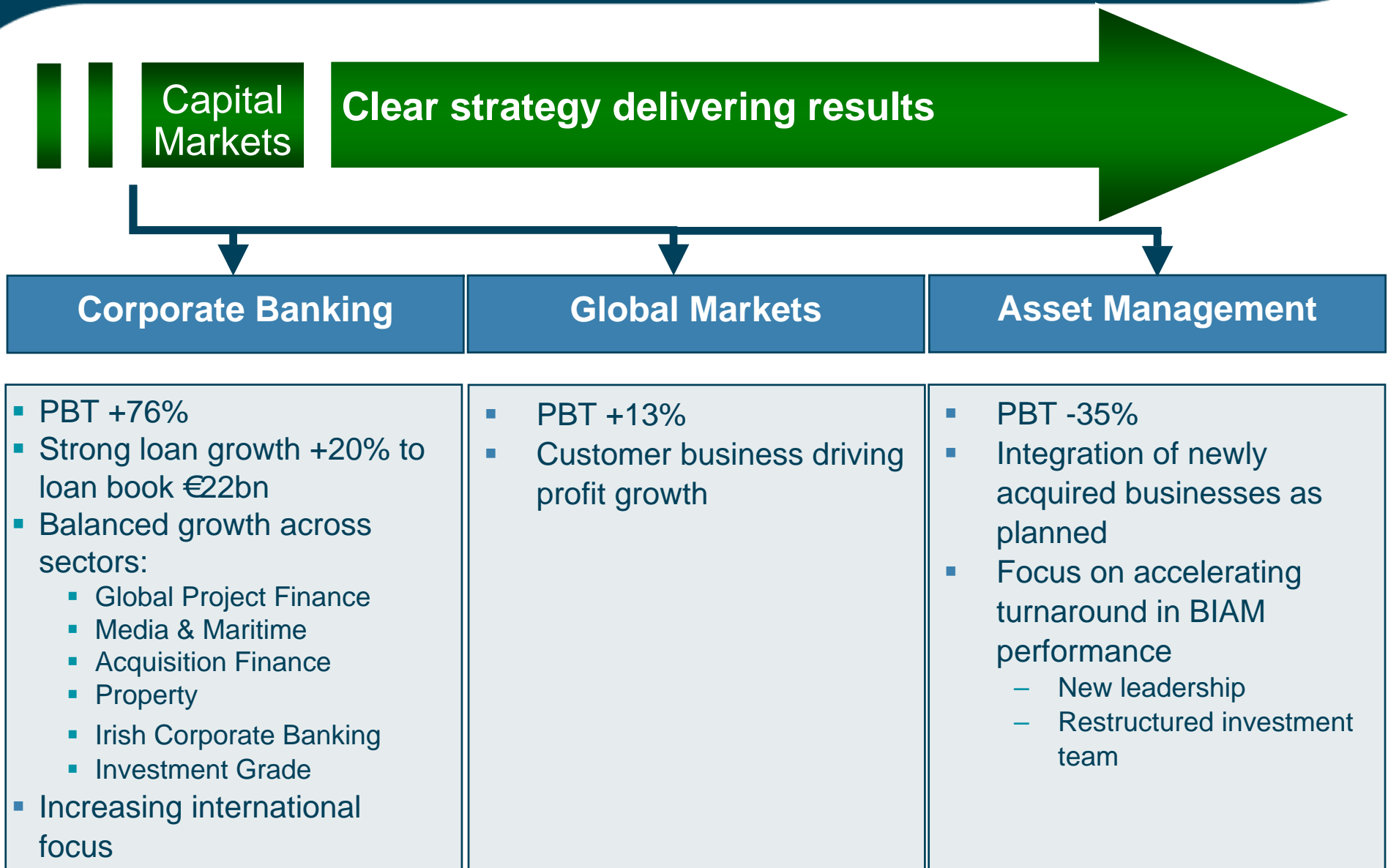
## Global Markets

- Primarily a customer business
- Focus on relationship management & product innovation
- Delivering tailored risk management solutions
- Broadening geographic reach & driving international growth
- Offices in Ireland, UK, Germany & US

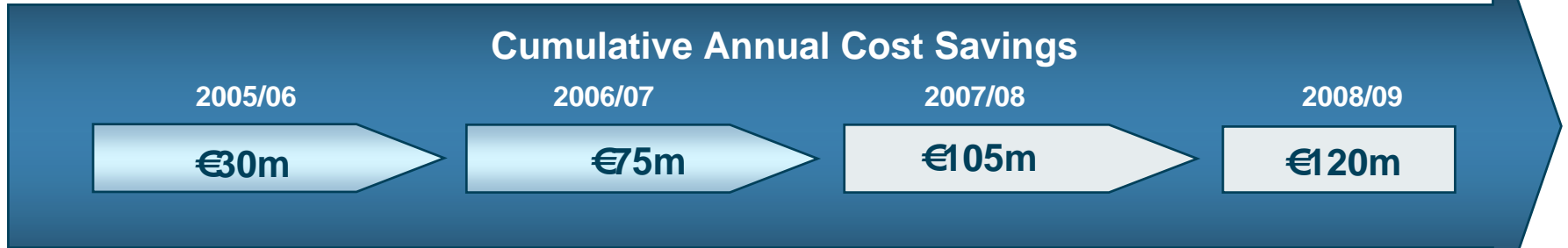
## Asset Management

- Asset management
  - Committed to rebuilding competitive position
  - Selectively broadened product range
  - Drive growth through international distribution platform
- Provide skill-based fund & middle office administration services in Ireland (*Bank of Ireland Securities Services*)

# Grow niche skill-based businesses internationally

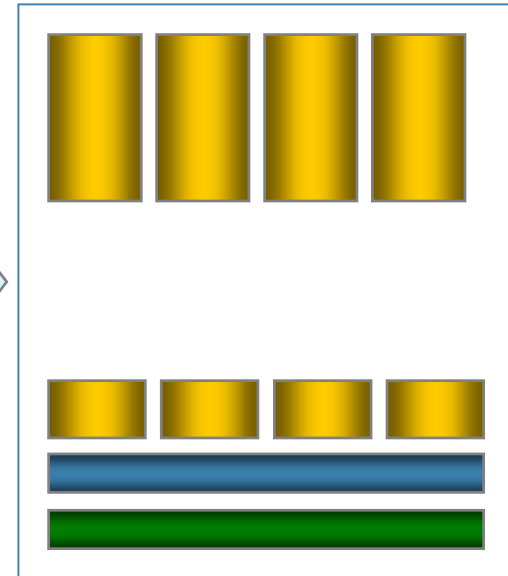


# Strategic Transformation Programme



**From ...**  
'vertically integrated' operating model with operations and support within business units

**To ...**  
'horizontal' operating model where operations and support capabilities are provided to business units by scale efficient centralised functions & outsourcing



**Efficiency**

**Capability**

**Scalability**

# Consistent delivery

	6 mths to Sep 05 vs Sep 04	12 mths to Mar 06 vs Mar 05	6 mths to Sep 06 vs Sep 05
<b>Underlying Profit Before Tax</b>	+8%	+16%	+28%
<b>Underlying Earnings Per Share</b>	+10%	+16%	+27%
<b>Annualised Impairment Losses</b>	11bps	11bps	9bps
<b>Dividend</b>	+10%	+15%	+15%
<b>Return on Equity</b>	25%	24%	25%
<b>Cost Income Ratio</b>	57%	57%	53%

Note: Underlying excludes the impact of non-core items: gain on disposal of business assets; gross-up for policyholder tax in the Life business; hedge ineffectiveness on transition to IFRS and restructuring programme.

# Looking forward

- Positive economic outlook
- Robust & broadly based momentum
- Continue to deliver on strategy
- Sustainable profit growth
- Guiding underlying EPS growth to March 2007 circa 20% from a base of 118.5c in March 2006

**Bank of Ireland Group**



**Presentation available on our website at: [www.boi.ie/investor](http://www.boi.ie/investor)**

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