

Retail Banking: Shifting the Focus to Deposits

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Forward-looking Statement

This document contains certain forward-looking statements within the meaning of Section 21E of the US Securities Exchange Act of 1934 and Section 27A of the US Securities Act of 1933 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. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements sometimes use words such as 'aim', 'anticipate', 'target', 'expect', 'estimate', 'intend', 'plan', 'goal', 'believe', or other words of similar meaning. Examples of forward-looking statements include among others, statements regarding the Group's future financial position, income growth, business strategy, projected costs, estimates of capital expenditures, and plans and objectives for future operations. 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.

Bank of Ireland – a conservative philosophy

- Traditional retail and commercial bank
- Deep management experience across market cycles
- Strong risk culture embedded across the Group
- Controlled growth in markets we understand
- Diversified business portfolio
- Driving efficiency, building capability and scalability

Assets

- 'Relationship' lending – loans remain on balance sheet
- Centralised underwriting & disciplined implementation of credit policies across all asset classes
- Pricing for risk through the cycle
- Risk control through diversification

Funding

- Operate within robust Irish regulatory liquidity regime
- Prudent funding profile to support planned business growth – optimise balance between deposits and wholesale funding
- Established funding programmes (10) diversified by geography, investor, product & maturity
- Disciplined adherence to funding targets and limits

Capital

- Operate within conservative capital ratio targets
- Capital structure balances efficiency and prudence
- Strengthening core equity ratio target to reflect changing operating environment

Preliminary highlights – Group

Group Profitability

March 2008 vs March 2007

Underlying PBT	€1,794m	+ 6%
PBT	€1,933m	(1%)
Underlying EPS	150.3c	+ 4%
EPS	174.6c	+ 1%

Group Performance

	March 2008	March 2007
Impairment charge	17bps	9bps
Cost / income ratio	51%	54%
Return on equity	21%	23%
Dividend	63.6c	60.4c

Capital*

	March 08 Basel II	March 08 Basel I	March 07 Basel I
Equity tier 1	5.7%	5.3%	4.9%
Tier 1 capital	8.1%	7.6%	7.9%
Total capital	11.1%	10.5%	11.5%

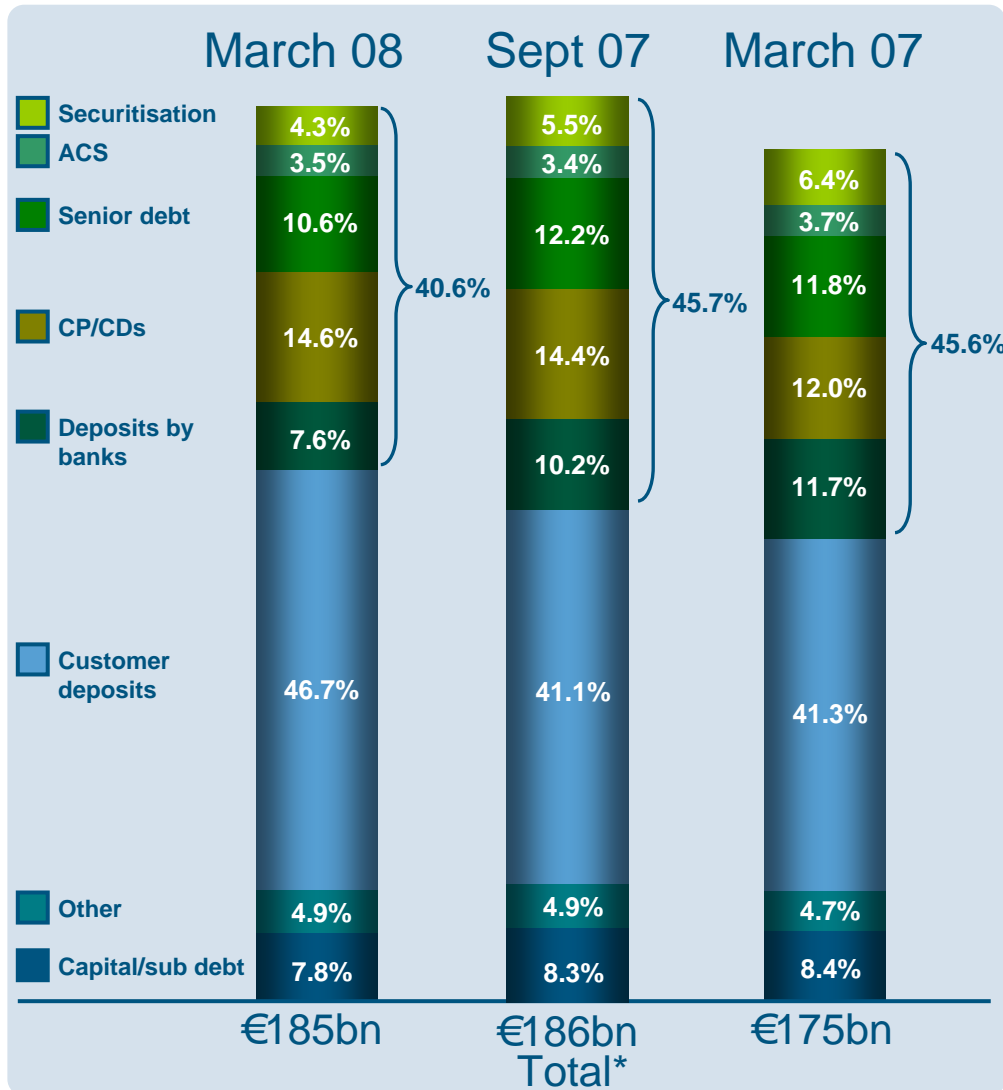
Balance Sheet

	March 2008	March 2007
Wholesale funding/total assets**	41%	46%
Loans/deposits	157%	173%

*Note: After deduction of proposed dividend (0.3%)

**Note: Total assets excludes Life funds held on behalf of policyholders

Balance sheet funding



Strong funding position

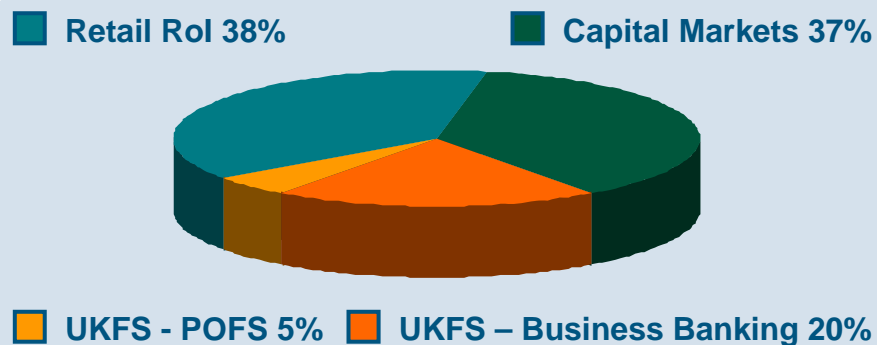
- Customer deposits increased from 41% to 47% of balance sheet in the year driven by 19% yoy growth to €86bn
- Wholesale funding reduced from 46% to 41% of balance sheet in 6-month period
- Strategy to grow deposits
 - Branch-led deposit gathering through POFS joint venture
 - Relationship-led UK business banking deposit gathering
 - Renewed focus on corporate deposits
 - Retail deposits gathered through 276 branches in Ireland

* Excludes Life funds held on behalf of policyholders: Mar 08 €12.8bn; Sep 07 €14.3bn; Mar 07 €13.9bn

Profile of customer deposits

+19% growth to €86bn

Retail Rol	€33bn	} €86bn
UKFS	£17bn	
Capital Markets	€32bn	

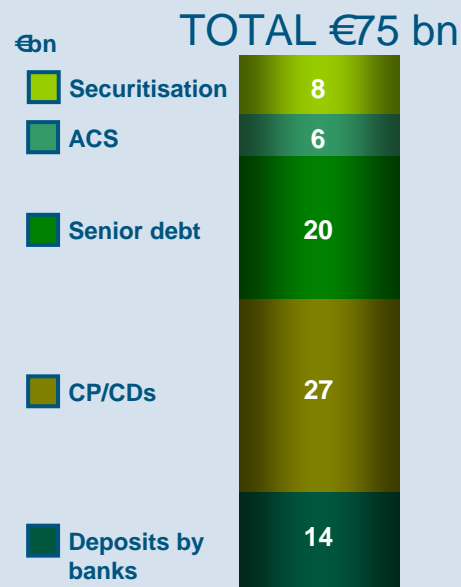


- Group customer accounts
 - Established franchise supporting growth opportunities in Ireland, UK, Europe and U.S.
 - Strong customer acquisition

Strong funding position

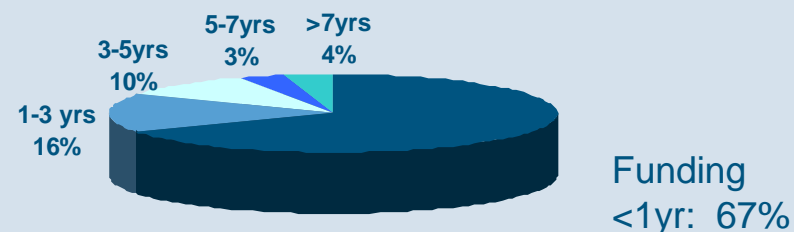
- Retail Rol
 - Strong customer franchise 276 branches
 - €33bn deposits
 - Deposits managed for volume and margin
 - Investment products sold to cash surplus customers
 - Average balance €14k
- Business Banking UK
 - Relationship-led deposit gathering £13.5bn
 - Strong growth opportunity
- POFS joint venture
 - £3.3bn deposits gathered
 - Access to 13,000 Post Office branches with weekly footfall of 24 million customers
 - 329k customer accounts
 - Average balance £10k
- Capital Markets
 - €32bn deposits
 - High-quality established customer franchise in Ireland, supported by treasury offices in UK (London, Bristol & Belfast) and US
 - Competitive pricing for 3, 6 & 12 month deposits

Group balance sheet – wholesale funding profile March '08

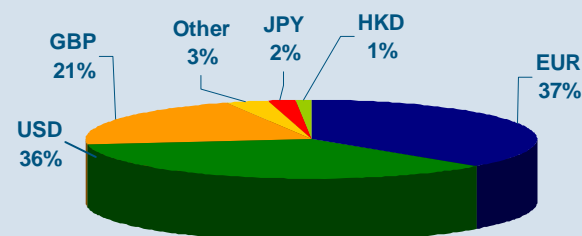


Maturity profile

Term funding:
funding with
remaining maturity
>1yr: 33%



Currency profile



Strong improvement in key metrics:

	March 07	Sept 07	March 08
% customer loans funded by customer accounts & term funding (funding with remaining maturity >1yr)	84%	80%	82%
Loan to deposit ratio	173%	174%	157%
Customer deposits as % of balance sheet	41%	41%	47%
Wholesale funding as % of balance sheet	46%	46%	41%

Balance sheet funding

Strong funding position

- Prudent funding profile to support planned business growth – optimise balance between deposits and wholesale funding
- Robust wholesale funding strategy delivering results in challenging markets
 - Established funding programmes (10) diversified by geography, investor, product & maturity
 - €4bn term funding private placements in half-year to March '08 - 48 transactions
 - ECB/BoE/Fed backstop facilities not used
- Operate within robust Irish regulatory liquidity regime
 - Liquid asset coverage for net outflows: 100% for 0-8 days; 90% for >8 days to one month
 - Significant liquidity buffer maintained in excess of Regulatory requirements

Contingent liquidity

- Strong contingency liquidity management strategy
- Excellent deposit gathering capabilities
- Ability to access ECB, BoE and Fed if required

Diversified funding facilities

- €25bn EMTN Programme
- €10bn ACS Programme
- US\$10bn MTN Programme
- US Extendible Notes
- €10bn ECP Programme
- London CD Facility
- US\$ Yankee CD Facility
- US\$15bn US CP Programme
- C\$2.5bn Canadian CP Programme
- €5bn French CD Programme

Outlook

- Group well positioned
 - Strong capital & funding positions
 - Primary focus continues to be on customer deposit gathering
 - Resilient asset quality
- Core philosophy of prudence and diversification
- Management priorities
 - Manage costs tightly while investing in development of our business
 - Maintain tight credit standards as impairment trends towards normalised levels
 - Further strengthen capital ratios & continue to improve funding metrics
- Remain firmly committed to our strategy