

Interim Results Announcement

For the 6 months ended 30 September 2009

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 Bank of Ireland Group's (the Group) 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, projected impairment losses, 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 UK economies and the performance and volatility of international capital markets, the expected level of credit defaults, the impact of the National Asset Management Agency, the outcome from the review by the European Commission under EU state aid rules of the plan submitted by the Group, 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 at the date they are 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. The reader should however, consult any additional disclosures that the Group has made or may make in documents filed or submitted or may file or submit to the US Securities and Exchange Commission.

Richie Boucher

Group Chief Executive

- **Challenging operating environment**
 - Early indications of a slow-down in the pace of economic decline in the UK and to some extent Ireland. Outlook remains challenging
- **Government remains fully supportive**
 - Implementation of NAMA and new Government Guarantee
- **Bank of Ireland has good businesses with resilient business models**
 - Core franchises in Ireland; focussed positions in selected international businesses where Bank of Ireland has clear competitive strengths and capabilities
- **Existing capital sufficient to absorb expected loan losses - committed to building capital ratios**
 - Our existing capital, bolstered by on-going pre-impairment operating profit, should be sufficient to absorb impact of expected impairment charges* - we are committed to strengthening our capital ratios in line with revising market norms and expected regulatory developments
- **We are committed to achieving more conservative balance sheet metrics**
 - Achieved through balance sheet de-leverage, growing deposits and accessing further un-guaranteed term funding
- **We have made progress against our key priorities**

* Note: 'our expected impairment charges' defined as the expected cumulative impairment charge on loans and advances to customers of circa €6.9bn in the 3 financial years ending 31 March 2009, 2010 & 2011

Interim highlights – Group

Group Profitability

	Sept 2009	Sept 2008*
Profit before tax	€80m	€703m
Underlying LBT/PBT	(€979m)	€647m
EPS	2.4c	63.2c
Underlying EPS	(96.6c)	54.8c

Income Statement highlights***

	Sept 2009	Sept 2008*
Total income	€1,730m	€2,003m
Operating expenses	(€940m)	(€1,039m)
Net interest margin	1.61%	1.71%
Operating Profit before impairment on financial assets	€787m	€964m
Impairment charge – <i>loans and advances</i>	€1,787m	€267m

Capital

	Sept 2009 Basel II	March 2009 Basel II
RWAs (€bn)	101	105
Equity tier ratio 1	6.6%	6.2%
Core tier ratio 1	10.1%	9.5%
Tier 1 ratio	11.0%	12.0%
Total ratio	14.5%	15.2%

Funding

	Sept 2009	March 2009
Wholesale funding/total assets**	35%	40%
Loans / deposits	152%	161%
Term Funding (<i>funding with a maturity of 1 year or greater</i>) as a % of total wholesale funding	33%	27%

* Note: Restated for the impact of the amendment to IFRS 2 'Share-based Payments' which has increased the operating expenses by €3m in the 6 months ended 30 September 2008 (6 months to 31 March 2009: €13m increase).

** Note: Total assets excluding BoI Life policyholder assets

*** Note: Underlying excluding non-core items

Interim highlights - divisional performance

Underlying Operating Profit (<i>pre impairment</i>) (€m)	6 mths to 30 Sept 2009	6 mths to 30 Sept 2008*	% Change
Retail Ireland	263	440	(40%)
Bank of Ireland Life **	57	3	1,800%
UK Financial Services	187	205	(9%)
<i>UK Financial Services (£m)</i>	<i>163</i>	<i>162</i>	<i>1%</i>
Capital Markets	382	389	(2%)
Group Centre	<u>(102)</u>	<u>(73)</u>	40%
Total	787	964	(18%)

Impairment Charge – Loans and advances (€m)	6 mths to 30 Sept 2009	6 mths to 30 Sept 2008
Retail Ireland	(917)	(114)
Bank of Ireland Life	-	-
UK Financial Services	(436)	(87)
<i>UK Financial Services (£m)</i>	<i>(385)</i>	<i>(69)</i>
Capital Markets	(434)	(66)
Group Centre	=	=
Total	(1,787)	(267)

* Note: Restated for the impact of the amendment to IFRS 2 'Share-based Payments'. See note on slide 5.

** Note: Bank of Ireland Life underlying PBT

Irish Government remains supportive

NAMA

- NAMA is progressing through Irish legislature
- On 16 September 2009, Minister for Finance estimated up to €16 billion landbank / development loans and associated loans could transfer from Bank of Ireland to NAMA
- Purchase price not announced for individual banks – Minister estimated an industry wide aggregate discount of 30%. Consideration 95% in Government guaranteed bonds, 5% in subordinated debt
- On 17 September 2009 we noted the positive variations between key industry valuation metrics across the 5 institutions referred to by the Minister and our estimated comparable figures – taking this and other factors including the methodology published by the Department of Finance – we felt that the discount applicable to Bank of Ireland on loans potentially transferring to NAMA could be significantly below 30%, however, the final discount would only be known on completion of relevant due diligence and valuation exercises to be performed by NAMA on a loan by loan basis. In this context significant uncertainties exist as to the specific quantum and timing of loans which may transfer to NAMA, the price of the loans, the fees payable to Bank of Ireland by NAMA and the ‘fair value’ of the consideration to be received. Therefore there are significant uncertainties as to the final discount which would be applicable to Bank of Ireland.
- Benefit for liquidity and funding and cost of same, and wider impact on economic confidence difficult to calculate at this stage.
- Significant resources and costs dedicated by the Group to the NAMA initiative.

Irish Government Guarantee Schemes

- Bank of Ireland deposits and certain liabilities are currently guaranteed under Covered Institutions Financial Support Scheme (CIFS) until September 2010
- Government announced details of a new guarantee scheme for issuance of securities of up to 5 years maturity and provide a guarantee for certain deposits with a maturity beyond September 2010 – draft Eligible Liabilities Guarantee Scheme 2009 (ELG)
- ELG offers flexibility for banks to issue un-guaranteed securities
- Bank of Ireland committed to increasing un-guaranteed issuance and eliminate reliance on Government Guarantee over time
- Improved funding conditions supportive of un-guaranteed issuance – Bank of Ireland successfully raised €1.5 billion of un-guaranteed and partially guaranteed debt during September 2009; and a further €1 billion which settled in early October 2009

Supporting our customers

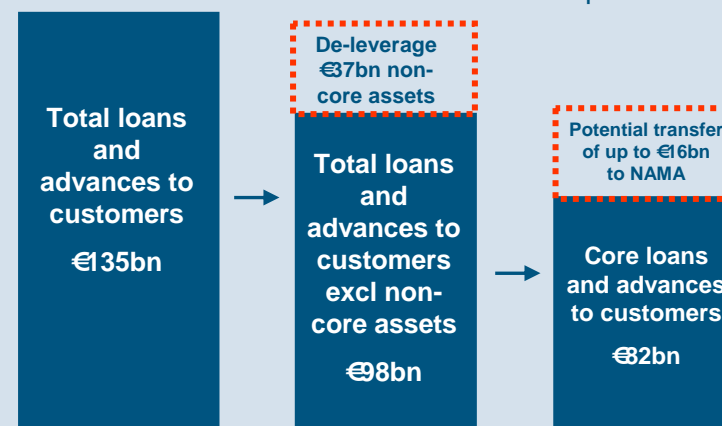
- Bank of Ireland has good businesses with resilient business models
 - Strong franchises and well established market positions
- Strategic bias towards Ireland and to our international businesses where we have clear competitive strengths and capabilities
- Core franchise in Ireland
 - Leading distribution; broadest product offering; and capable and committed staff
 - Dedicated resources and funds towards supporting mortgage and SME / corporate customers
- Well focussed in selected international businesses
 - Northern Ireland and specific UK business banking segments including healthcare, leisure and professional services
 - Post Office Financial Services (POFS) continuing to grow – over 2m customers
 - International – focus on project finance, mid-market leverage finance and comprehensive asset based lending
- Over 5-year strategic horizon de-leverage with enhanced customer focus
 - Focus on businesses offering sustainable growth opportunities - non-core assets in 'run-down' (€37bn)
 - NAMA transfers up to €16bn

Bank of Ireland open for business and supporting our customers

Irish mortgages	<ul style="list-style-type: none"> • €750m of €1bn first time buyer mortgage fund approved • Approving on average 350 new mortgages each week
Irish SME / corporate	<ul style="list-style-type: none"> • Processing 6,000 SME credit applications each month; 18% increase in overdraft and working capital facilities • New credit management processes to support customers under stress
Post Office Financial Services	<ul style="list-style-type: none"> • 440 financial services specialist advisors • Over 2m customers

Balance Sheet de-leverage

Loans and advances to customers Sept 2009



Significant progress on priorities

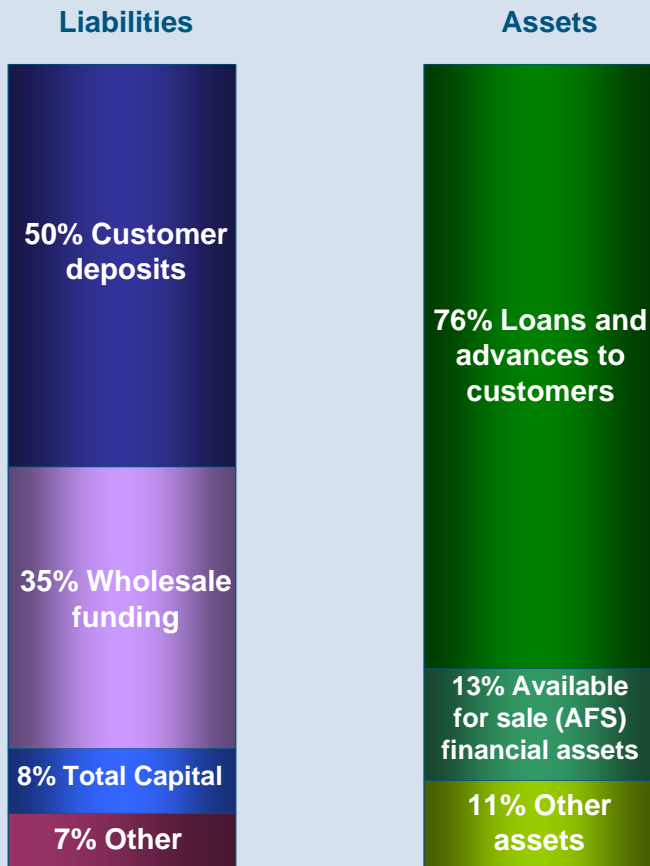
Priority		Progress	
Capital	<ul style="list-style-type: none"> Debt repurchase Balance sheet de-leverage 	<ul style="list-style-type: none"> Completed €1.7bn re-purchase of non-core tier 1 securities - increased equity tier 1 by €1bn Circa €37bn of non-core lending in 'run-down' being UK intermediary mortgage loans and selected international corporate banking portfolios 	<p>At 30 Sept 2009</p> <p>Equity tier 1 6.6%</p> <p>Core tier 1 10.1%</p> <p>Tier 1 11.0%</p> <p>Total capital 14.5%</p>
Asset quality	<ul style="list-style-type: none"> Rigorous management of asset quality 	<ul style="list-style-type: none"> Estimated loan impairment charge reflecting poorer outlook for Irish property and mortgage markets in particular 	<p>Estimated impairment charge of c. €6.9bn in 3 yrs to Mar 2011 – of which €1.4bn in yr to 31 Mar 2009 and €1.8bn in the 6 mths to 30 Sept 2009</p>
Funding	<ul style="list-style-type: none"> Funding conditions gradually improving 	<ul style="list-style-type: none"> Deposit growth to €87 billion despite intense competition <ul style="list-style-type: none"> Strength of brand and franchise Scale of distribution Increasing non Government guaranteed issuance Reducing net drawings from Monetary Authorities Balance sheet de-leverage 	<p>Deposits Increased 4% to €87bn <i>Sept 2009 vs March 2009</i></p> <p>Loan / deposit ratio: 152%</p> <p>Term funding with maturity ≥ 1 year as % of wholesale funding: 33%</p>
Costs	<ul style="list-style-type: none"> Reduce absolute cost levels 	<ul style="list-style-type: none"> Rigorous control of all costs Significant reduction in people employed and compensation 	<p>Costs down 10% <i>6 mths to 30 Sept 09 vs 6 mths to 30 Sept 08</i></p> <p>Numbers employed down c. 1,700 since Sept 2008</p>

John O'Donovan

Group Chief Financial Officer

Presentation of interim results

Total Balance Sheet*
€173 billion at 30 September 2009



Section 1:
Asset quality
Loans and advances to customers

Section 2:
Funding and capital

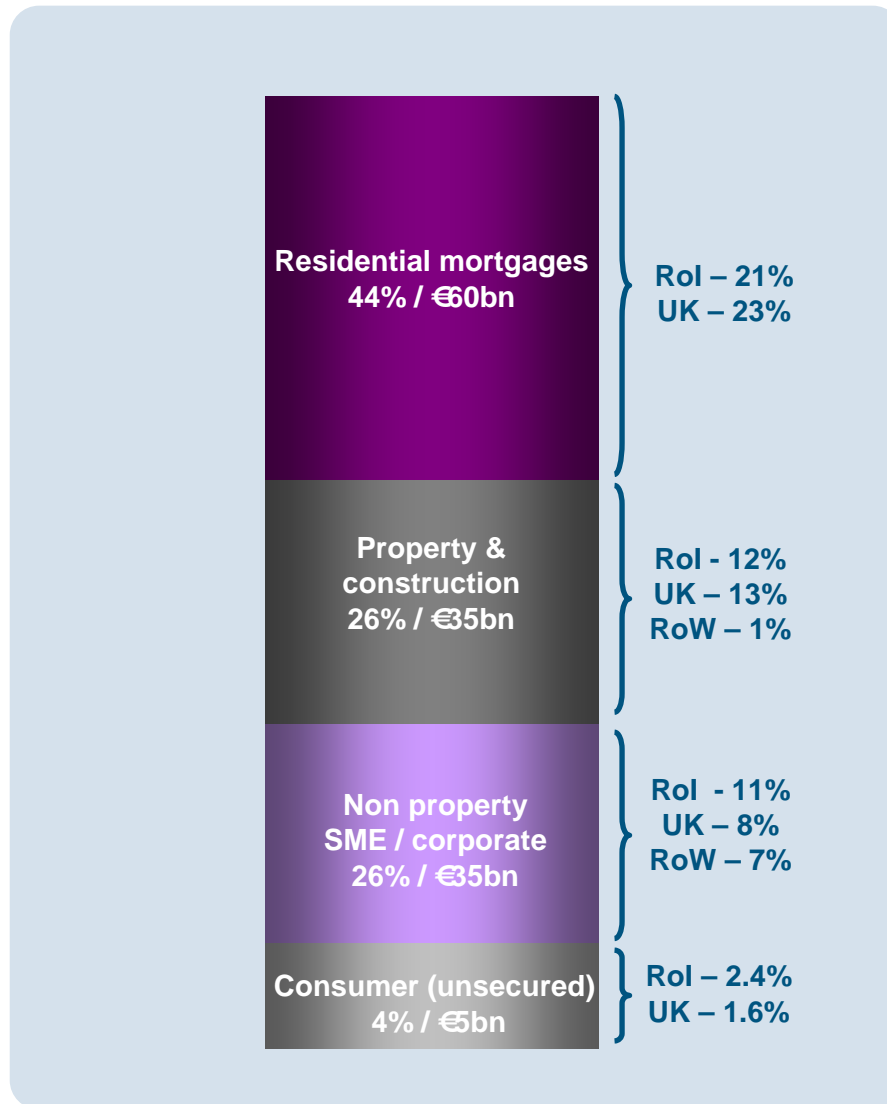
Section 3:
Group Income Statement

Section 4:
Divisional performance

* Excludes Life funds held on behalf of policyholders: Sept 09 €11.4bn

Section 1: Asset quality

Profile of loans & advances to customers* - €135bn at Sept 2009



Group loan book*

- Group loan book €135bn at 30 Sept 2009
- Significant Residential mortgage book - €28bn in Ireland and €32bn in the UK
- 26% of loan book in Property & construction lending - €16bn in Ireland, €17bn in the UK (NI & GB) with €2bn RoW
- Lending to SME and corporate sectors is 26% of the loan portfolio - €15.3bn in Ireland, €10bn in the UK with €9.2bn in RoW
- 4% of loan book is Consumer lending which includes credit cards, personal loans and motors loans - €3bn is in Ireland and €2bn in the UK

* Note: Before balance sheet impairment provisions of €3.5bn

Group loan book asset quality profile

Asset Quality	31 March 2009		30 September 2009	
	€m	%	€m	%
High quality	72,465	53.5	69,341	51.4
Satisfactory quality	37,087	27.3	33,060	24.5
Acceptable quality	12,556	9.3	14,308	10.6
Lower quality but not past due nor impaired	2,330	1.7	3,775	2.8
Neither past due nor impaired	124,438	91.8	120,484	89.3
Past due but not impaired*	5,761	4.3	5,735	4.3
Impaired**	5,322	3.9	8,571	6.4
Total loans and advanced to customers***	135,521	100	134,790	100

- Deterioration in economic conditions resulting in continuing low levels of economic activity across our main markets impacting credit quality
- Significant increase in quantum of impaired loans from €5.3bn to €8.6bn – 2/3rds of impaired loans at 30 September 2009 are in the property and construction portfolio

* Note: 'Past due but not impaired' defined as loans where repayment of interest and/or principal are overdue by at least one day but are not impaired.

** Note: 'Impaired loans' defined as loans with a specific impairment provision attaching to them together with loans (excluding residential mortgages) which are more than 90 days in arrears

*** Note: Before balance sheet impairment provisions (Sept 09: €3.5bn; Mar 09: €1.8bn)

Stock of Balance Sheet provisions and impairment charge

30 Sept 2009	Total loans and advances to customers	Impaired loans	Impaired loans as % of advances	Impairment provisions	Impairment provisions as % of impaired loans	6 mths impairment charge to 30 Sept 2009	Impairment charge (annualised)
	€bn	€m	%	€m	%	€m	bps
Residential mortgages	59.9	342	0.6	268	78	142	47
Non property SME / corporate	34.5	2,214	6.4	865	39	393	220
Property and construction	35.1	5,578	15.9	1,976	35	1,135	640
Consumer (unsecured)	5.3	437	8.3	366	84	117	417
Total	134.8	8,571	6.4	3,475	41	1,787	260

31 Mar 2009	Total loans and advances to customers	Impaired loans	Impaired loans as % of advances	Impairment provisions	Impairment provisions as % of impaired loans	6 mths impairment charge to 31 Mar 2009	Impairment charge (annualised)
	€bn	€m	%	€m	%	€m	bps
Residential mortgages	58.9	229	0.4	144	63	112	37
Non property SME / corporate	37.0	1,187	3.2	480	40	276	151
Property and construction	34.0	3,538	10.4	856	24	642	357
Consumer (unsecured)	5.6	368	6.5	301	82	138	420
Total	135.5	5,322	3.9	1,781	33	1,168	167

Impairment charge by portfolio

6mths to Sept 08
38bps annualised

6mths to Mar 09
167bps annualised

6mths to Sept 09
260bps annualised



Loans and advances to customers*

30 Sept 2009 - €135bn

31 March 2009 - €136bn

30 Sept 2008 - €145bn

Impairment Charge by portfolio - €m

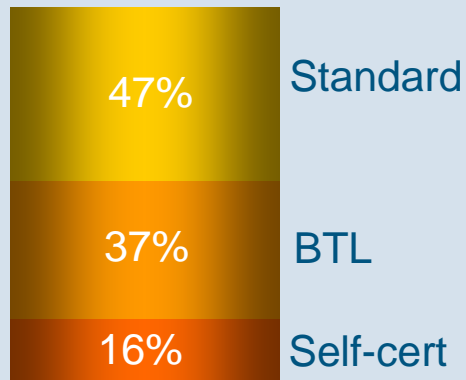
	6 mths to 30 Sept 08	6 mths to 31 Mar 09	6 mths to 30 Sept 09
Residential mortgages	15	112	142
- Republic of Ireland	3	57	96
- UK	12	55	46
Non property SME / corporate	68	276	393
Property/construction	124	642	1,135
- Investment	5	138	106
- Development/Landbank	119	504	1,029
Consumer (unsecured)	60	138	117
Total	267	1,168	1,787

* Note: Before balance sheet impairment provisions of €3.5bn Sept 09; €1.8bn Mar 09 and €0.8bn Sept 08

UK Residential mortgages

- £29bn / €32bn Sept 2009

Book - segment split



Asset quality - arrears

Arrears – greater than 3 mths in arrears*				
	Sept 09	Jun 09	Mar 09	Sept 08
Book - Bol	161bps	162bps	148bps	75bps
CML	n/a	243bps	238bps	142bps
Buy to let - Bol	177bps	187bps	173bps	80bps
CML	n/a	249bps	306bps	156bps
Self Cert - Bol	410bps	404bps	366bps	164bps
Standard- Bol	93bps	88bps	80bps	50bps

*Note: Cases > 3 months excluding possessions

- UK mortgages 53% of total Group mortgages (23% of Group loans and advances to customers)
- Bank of Ireland has 263,000 residential mortgages in the UK
- Book growth slowing:
 - Mar 09 to Sept 09: 0%
 - Sept 08 to Mar 09: 0%
 - Mar 08 to Sept 08: 7%

Strategic decision to de-leverage Group balance sheet - withdrawal from UK intermediary sourced mortgage business (Jan 09)

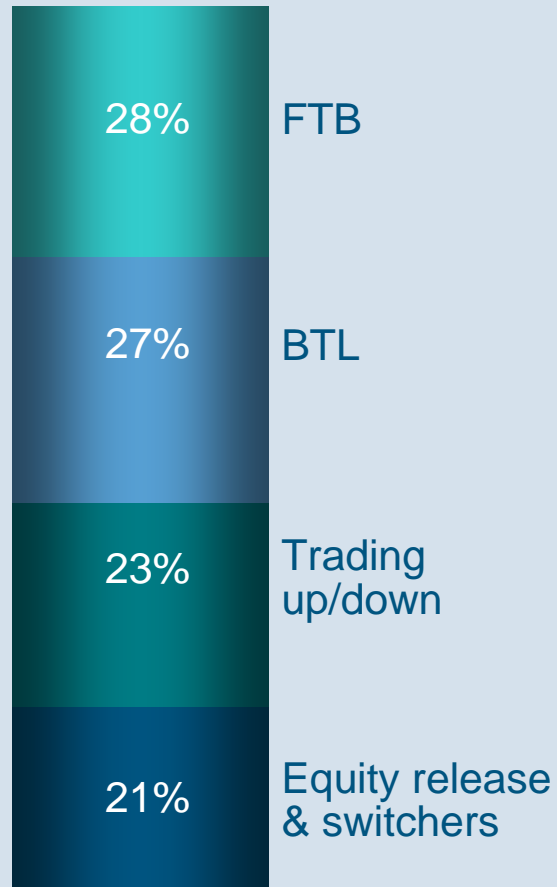
- Improving market trends: House prices are up 6%** in period Jan 09 to Oct 2009; down 13% since peak in October 2007 (*Nationwide*)
- Asset quality:
 - Impairment charge
 - Annualised 6 mth impairment charge to 30 Sept 09 – 28bps
 - Annualised 6 mth impairment charge to 31 Mar 09 – 34 bps
 - Annualised 6 mth impairment charge to 30 Sept 08 – 6bps
 - Negative equity
 - 37k (14%) of mortgages in negative equity – quantum of net negative equity £344m
 - Possessions
 - 336 properties in possession representing 0.13% of portfolio at 30 Sept 09 (388 properties or 0.15% of portfolio in possession at 31 Mar 09)
 - 222 new possessions in 3 mths to 30 Sept 09 (185 in 3 mths to 30 Jun 09; 257 in 3 mths to 31 Mar 09; 142 in 3 mths to 31 Dec 08)

** Note: not seasonally adjusted

Irish Residential mortgages

- €28bn Sept 2009

Book - segment split



- Irish mortgages 47% of total Group mortgages (21% of total Group loans and advances to customers)
- Bank of Ireland has 196,000 residential mortgages in Ireland
- Book growth:
 - Mar 09 to Sept 09: 2%
 - Sept 08 to Mar 09: 4%
 - Mar 08 to Sept 08: 3%
- New business product split:
 - 6 mths to 30 Sept 09:
 - FTB – 34%; BTL – 9%; Trade up/down – 25%; Equity release/switch – 32%
 - 6 mths to 30 Sept 08:
 - FTB – 24%; BTL – 25%; Trade up/down – 24%; Equity release/switch – 27%
- House prices fell 11% Jan 2009 to Sept 2009; down 25% from peak in February 2007 to Sept 2009 (*PTSB*) - official statistics trailing actual market
- Asset quality
 - Arrears – 3 months or more past due
 - Book 297bps Sept 09 (192bps Mar 09; 91bps Sept 08)
 - Impairment charge
 - Annualised 6 mth impairment charge to 30 Sept 09 – 68bps
 - Annualised 6 mth impairment charge to 31 Mar 09 – 42 bps
 - Annualised 6 mth impairment charge to 30 Sept 08 – 2bps
 - Negative equity
 - 21,000 (10%) of mortgages in negative equity– quantum of net negative equity €731m
 - Possessions:
 - 14 properties in possession at 30 Sept 09 (6 at 31 Mar 09)
 - 11 new possessions in 6 mths to 30 Sept 09 (5 in the 6 mths to 31 Mar 09)

Property and construction loans

– €35bn Sept 2009

Geographic and sector profile - €bn

	Investment	Development	Landbank	Total
Ireland				
Landbank	-	-	3.8	3.8
Residential	1.4	2.1	-	3.5
Commercial	7.8	0.9	-	8.7
Total Ireland	9.2	3.0	3.8	16.0
UK (GB/NI)				
Landbank	-	-	1.6	1.6
Residential	1.6	2.3	-	3.9
Commercial	11.0	0.9	-	11.9
Total UK (GB/NI)	12.6	3.2	1.6	17.4
Total other	1.5	0.2	-	1.7
TOTAL	23.3	6.4	5.4	35.1

Geographic and sector profile - %

	Investment	Development	Landbank	Total
Ireland				
Landbank	-	-	11%	11%
Residential	4%	6%	-	10%
Commercial	22%	3%	-	25%
Total Ireland	26%	9%	11%	46%
UK (GB/NI)				
Landbank	-	-	4%	4%
Residential	5%	6%	-	11%
Commercial	31%	3%	-	34%
Total UK (GB/NI)	36%	9%	4%	49%
Total other	4%	1%	-	5%
TOTAL	66%	19%	15%	100%

Property and construction loans

– €35bn Sept 2009

Investment Lending - €23bn

- Investment lending €23.3bn – 66% of property & construction loans
- Geographic profile
 - 40% in Ireland, 54% in the UK and 6% US/Europe
- Impairment charge of 91bps (annualised) in the 6 months to 30 Sept 2009
- Key risks – increased risk of tenant default
- Portfolio diversified – quality tenants and spread of properties
 - Commercial investment – Ireland €7.8bn
 - 45% retail; 27% office; 3% Leisure; 11% industrial; 14% other
 - Commercial investment overseas – €12.5bn (*UK €11bn & RoW €1.5bn*)
 - 46% retail, 23% office, 8% industrial, 8% Leisure; 15% other
 - Residential investment – €3bn (*UK €1.6bn & Irl €1.4bn*)

Development and Landbank - €12bn

- Development and landbank lending €11.8bn – 34% of property & construction loans
 - Landbank – €5.4bn (*Irl €3.8bn and UK €1.6bn*)
 - Residential development – €4.6bn (*Irl €2.1bn / UK €2.3bn / RoW €0.2bn*)
 - Commercial development – €1.8bn (*Irl €0.9bn/UK €0.9bn*)
- Profile of development and landbank portfolio
 - 58% in Ireland, 40% in the UK and 2% US/Europe
 - 54% in development and 46% in landbank
- Impairment charge of 16.7% (annualised) in the 6 months to 30 Sept 2009

Asset quality across other loan portfolios Sept 2009

Non-property SME / corporate loans - €35bn

- SME / corporate loan portfolio of €35bn - portfolio diversified across a range of sectors
 - 44% Ireland, 29% UK and 27% RoW
- 6 months impairment charge of €393m or 220bps (annualised) – a significant increase from the 6 month charge to 31 March 2009 of €276m or 151bps (annualised)
 - Increased impairment charge reflecting the impact of the recessionary environment on the SME and corporate sectors in Ireland together with higher charges in leverage acquisition finance.

Consumer (unsecured) - €5bn

- Consumer (unsecured) loan portfolio of €5bn
 - 60% Ireland and 40% UK
- Includes personal loans, overdrafts, motor loans and credit cards
- Enhanced management of arrears
- 6 months impairment charge of €117m or 417bps (annualised) – a reduction from the 6 month charge to 31 March 2009 of €138m or 420bps (annualised)

Outlook for asset quality

Looking towards 31 March 2011 (*the end of the three-year forecast horizon for loan impairment*), given the economic outlook and the continued poor outlook for the Irish property and mortgage market, we anticipate a loan impairment charge of circa €6.9bn – this includes the charge of €1.4 billion in the year to 31 March 2009 and €1.8 billion in the 6 months to 30 September 2009.

This estimate does not reflect any additional impact from the potential transfer of loans to NAMA at a discount to their carrying value after impairment provisions.

Economic assumptions underlying expected impairment charge

Ireland

House price falls peak to trough – 45%

Unemployment
2009 14%
2010 16%

GDP – growth not expected before 2011

United Kingdom

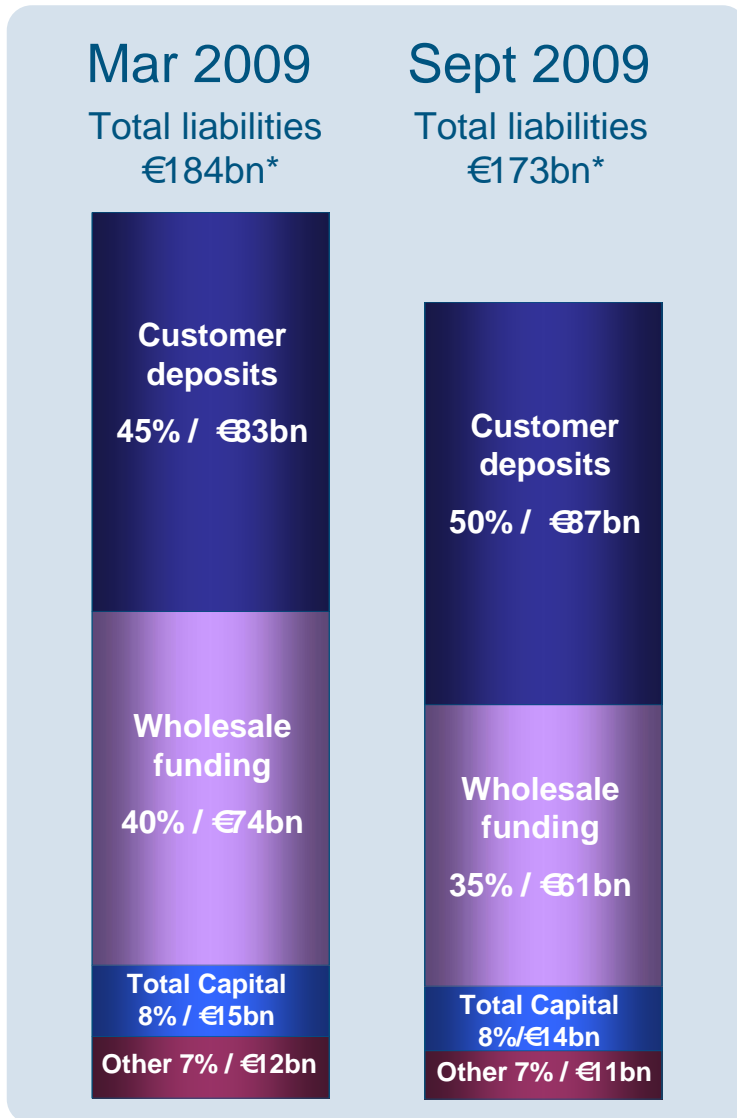
House price falls peak to trough – 35%

Unemployment
2009 8%
2010 10%

GDP – low growth expected in 2010

Section 2: Funding and capital

Balance Sheet funding strategy



Balance Sheet funding

- **Customer Deposits**
 - Drive growth through strength of franchise and scale of distribution – 248 full-time branches in Ireland; 44 branches in Northern Ireland; 11,700 UK Post Office branches; network of treasury centres in Ireland, UK and US; business banking teams in Ireland and the UK
- **Wholesale Funding**
 - Continue to extend maturities in term markets beyond existing Government Guarantee (CIFS) to Sept 2010 using both public and private placement markets
 - As funding markets continue to normalise extend maturity profile of short term programmes
- **Contingent Liquidity**
 - Maintain a robust, efficient and flexible buffer of contingent liquid assets
 - Access to BOE, ECB & Federal Reserve
- **Government Guarantee**
 - Eliminate reliance on Government Guarantee over time

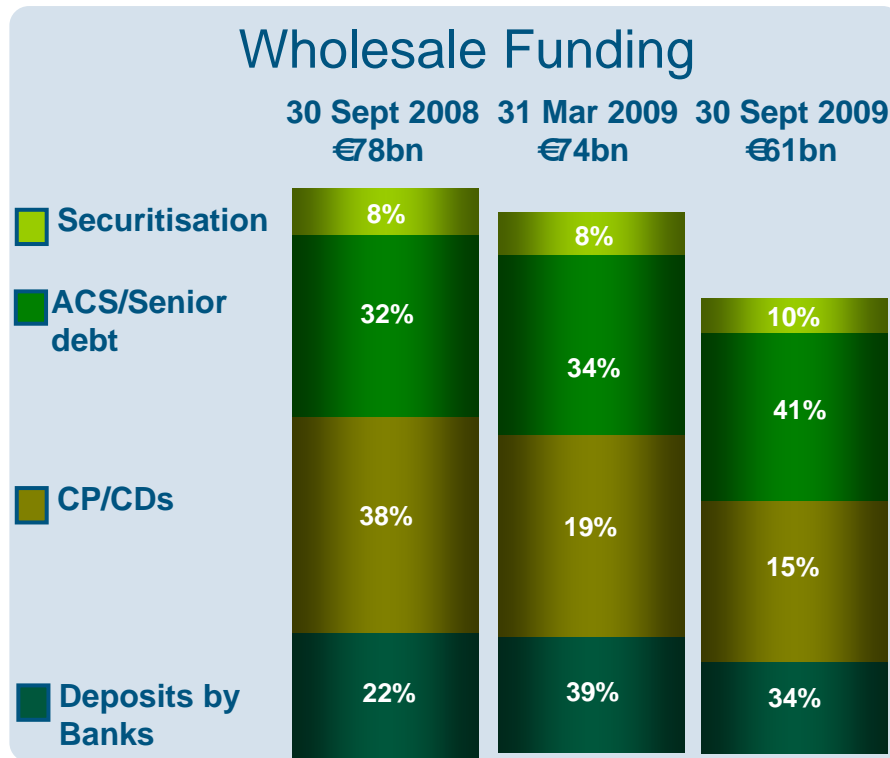
* Note: Excludes Life funds held on behalf of policyholders: Mar 09 €9.7bn, Sept 09 €11.4bn

Divisional profile of deposits			
	Mar 09	Sept 09	% growth Sept 09 vs Mar 09
Group total	€33bn	€37bn	4%
Retail Ireland - Deposits - Current accounts credit balances	€33bn €23bn €10bn	€34bn €24bn €10bn	2%
UK Financial Services (UKFS) - BBUK - POFS	£19bn (€21bn) £11bn £8bn	£18bn (€21bn) £10bn £8bn	(5%) (7%) (3%)
Capital Markets	€29bn	€32bn	11%

Competitive market

- Distribution and strength of brand and franchise driving deposit growth
- Deposits increased by 4% Sept 09 vs Mar 09 despite intense competition and pressure on international deposits caused by ratings downgrades earlier in the year
- 26% share of total resources in Ireland - extensive distribution capability with leading and trusted franchise
- Retail Ireland – customer deposits up 2% *(Sept 09 vs Mar 09)*
 - Deposits increased 2%
 - Current account credit balances up 1%
- UKFS customer deposits down 5% *(Sept 09 vs Mar 09)*
 - POFS source of quality deposits
- Capital Markets – customer deposits up 11% *(Sept 09 vs Mar 09)*

Wholesale funding profile



Improvement in funding conditions

- Improved appetite for Irish debt reflected in narrowing of CDS spreads*
 - Sovereign CDS c.130 bps at 30 Sept 09, down from peak of c.400bps in Feb 09
 - Bank of Ireland CDS c.180 bps at 30 Sept 09, down from peak of c.670 bps in Mar 09

- Quantum of wholesale funding at 30 Sept 2009 reduced to €61bn from €74bn at 31 Mar 2009
 - Increase in customer deposits
 - Improvement in wholesale funding maturity profile and strong franchise assets for contingent liquidity collateral leading to a reduced requirement for liquid assets
- Against improved market backdrop, Bol issued €7.9bn of term funding during 6 months to 30 Sept 2009 (6 months to Mar 09 €2.7bn; 6 months to 30 Sept 08 €5.7bn)
- Proven access to un-guaranteed public benchmark markets (secured and unsecured)
 - €1.5bn 5 yr covered bond issue in Sept 09 at a cost of mid-swaps +190 bps
 - €1bn 3.5yr unsecured bond issue in Sept 09 at a cost of mid-swaps +245 bps (Settled on 8 October 2009 and therefore not reflected in funding figures of €7.9bn nor 30 Sept 2009 Balance Sheet)
- Maturity profile of wholesale funding lengthened with term funding (funding with a maturity of 1 year and longer) increased from 27% of wholesale funding at 31 Mar 2009 to 33% at 30 Sept 2009
- Net Monetary Authority drawings have decreased to €7bn at 30 Sept 2009 from €17bn at 31 Mar 2009

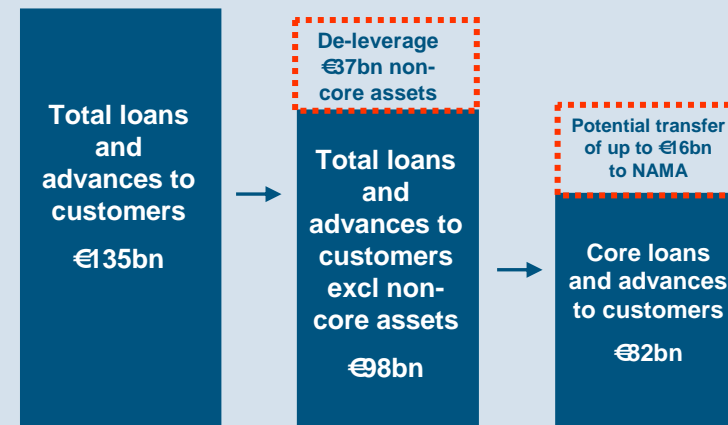
* Note: 'CDS' Credit default swaps

Funding position

Funding metrics	Mar 09	Sept 09
Customer deposits	€83bn	€87bn
Loan to deposit ratio	161%	152%
Term funding (wholesale funding with a maturity of 1 year or greater) as a % of overall wholesale funding	27%	33%

Balance Sheet de-leverage

Loans and advances to customers Sept 2009



Capital position

Improving quality of capital

- Re-purchase of non-core tier 1 securities completed in June 2009 generated €1bn of Equity and Core Tier 1 capital
 - Improved quality of capital
 - Reduced Total Tier 1 and Total Capital by €0.7bn
- Lower risk weighted assets driven by:
 - Lower assets
 - Lower market risk
 - Higher impaired loans and increased impairment provisions
- Our existing capital, bolstered by on-going pre-impairment operating profit, should be sufficient to absorb impact of expected impairment charges. We are committed to strengthening our capital ratios in line with revising market norms and expected regulatory developments

Capital – Basel II

	Mar 09		Sept 09	
Equity tier 1 capital	6.2%	€6.5bn	6.6%	€6.6bn
Core tier 1 capital	9.5%	€10.0bn	10.1%	€10.2bn
Tier 1 capital	12.0%	€12.6bn	11.0%	€11.1bn
Total capital	15.2%	€16.0bn	14.5%	€14.6bn
RWA	€105bn		€101bn	

Stockholders' equity – positive trend

	6 mths ended 30 Sept 09	12 mths ended 31 Mar 09*
	(€m)	(€m)
Stockholders' equity at beginning of period	6,852	6,484
Movements:		
Profit attributable to stockholders	168	53
Equity dividends	-	(387)
Preference share capital and warrants	-	3,462
Reissue of stock / treasury stock	(5)	(83)
Foreign exchange adjustments	12	(528)
Available for sale (AFS) reserve movements	756	(1,113)
Cash flow hedge reserve movement	35	(540)
Pension fund obligations	53	(544)
Other movements	6	48
Stockholders' equity at end of period	7,877	6,852

* Note: Restated for the impact of the amendment to IFRS 2 'Share-based Payments'. See slide 5.

Section 3: Group Income Statement

Group Income Statement

Group Income Statement (including non-core items)

	Sept 09 €m	Sept 08 ** €m	% Change
Total income*	2,792	2,059	
Operating expenses	(940)	(1,039)	
Impairment – other intangibles	(3)	-	
Operating profit pre-impairment of financial assets	1,849	1,020	81%
Impairment charge – loans	(1,787)	(267)	
Impairment charge – AFS	-	(40)	
Associates / JVs <i>post-tax</i>	21	(10)	
Loss on disposal of business activities	(3)	-	
Profit before tax	80	703	(89%)
Total non-core items	(1,059)	(56)	
Underlying*** (LBT) / PBT	(979)	647	(251%)

Group Income Statement (excluding non-core items)

	Sept 09 €m	Sept 08 ** €m	% Change
Total income*	1,730	2,003	(14%)
Operating expenses	(940)	(1,039)	(10%)
Impairment – other intangibles	(3)	-	
Operating profit pre-impairment of financial assets	787	964	(18%)
Impairment charge - loans	(1,787)	(267)	
Impairment charge – AFS	-	(40)	
Associates/JVs <i>post-tax</i>	21	(10)	
Underlying***(LBT) / PBT	(979)	647	(251%)

Non-core items

	Sept 09 €m	Sept 08 €m
Total income		
Gain on re-purchase of non-core tier 1 debt securities	1,037	-
Gross-up for policyholder tax in the Life business	57	(18)
Investment return on treasury stock held for policyholders in BoI Life	(30)	77
Hedge ineffectiveness on transition to IFRS	(2)	(3)
Loss on disposal of business activities	(3)	-
Non-core items in income	1,059	56

	Sept 09 €m	Sept 08 €m
Operating expenses		
	-	-
Non-core items in operating expenses	-	-
Total non-core items	1,059	56

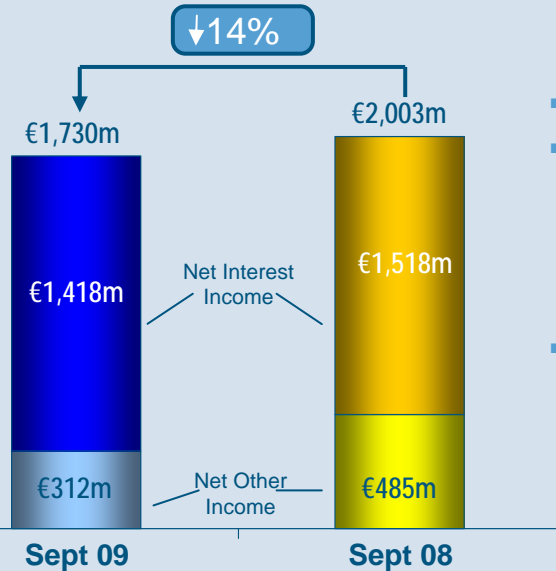
* Note: Total income (net of insurance claims)

** Note: Restated for the impact of the amendment to IFRS 2 'Share-based Payments'. See slide 5.

***Note: Underlying excluding non-core items

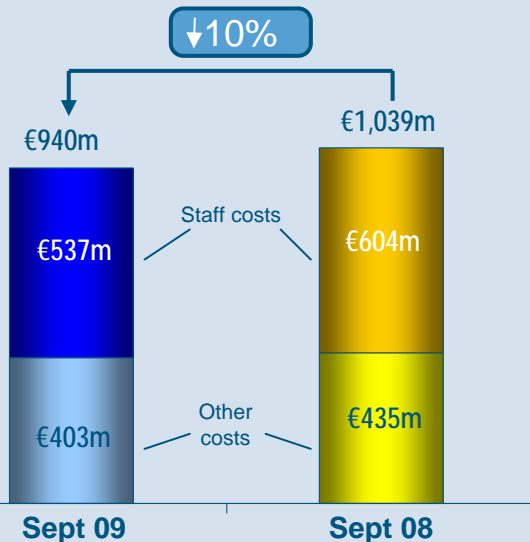
Total income & operating expenses

Total income (excluding non-core items and after impact of IFRS income classifications)



- Total income down 14%
- Net interest income down 7%
 - *Negative impact:* margin attrition on deposits due to low interest rate environment and intense competition; and higher cost of term funding
 - *Positive impact:* higher lending margins; lower short term wholesale funding costs as liquidity premia have narrowed vs comparable prior period following Monetary Authority interventions
- Net other income down 36%
 - *Negative impact of:* reduced policy-related income in BoI Life (€49m); cost of Government guarantee (€49m); charge on own debt (€35m); reduced income in asset management businesses (€36m); increased property impairment relating to investment properties (€34m); increased insurance claims (€7m); gain in prior period for Visa IPO (€24m); lower income and fees across business units
 - *Positive impact of:* movement in investment valuation variance in the Life business (€88m); once-off charge in Sept 08 for Lehman collapse (€39m)

Operating expenses *



- Costs down 10%
- Rigorous cost control together with benefits from downsizing initiatives in UKFS and Capital Markets
- Staff costs down 11%
 - Staff numbers circa 1,700
- Other costs down 7%

* Note: Restated for the impact of the amendment to IFRS 2 'Share-based Payments'. See slide 5.

Net interest margin

Net interest margin

	Sept 09	Sept 08
Net interest income after impact of IFRS income classifications	€1,418m	€1,518m
Average interest earning assets	€175bn	€178bn
Net interest margin (Annualised)	1.61%	1.71%

Margin attrition - drivers

	Sept 09 vs Sept 08 (bps) (Annualised)
Margin attrition on deposits	(32bps)
Higher cost of term funding	(3bps)
Higher lending margins	+ 11bps
Lower short term wholesale funding costs as liquidity premia have narrowed versus the comparable prior period following interventions by Monetary Authorities	+ 14 bps
Net interest margin attrition	- 10bps

Net interest margin



* Note: Annualised

Section 4: Divisional performance

Income Statement

(Loss) / Profit before tax	Sept 09 €m	Sept 08 €m	% Change
Net interest income	596	737	(19%)
Other income	<u>124</u>	<u>181</u>	(31%)
Total income	720	918	(22%)
Operating expenses	(454)	(478)	(5%)
Impairment charge – intangibles	<u>(3)</u>	-	
Operating profit pre-impairment of financial assets	263	440	(40%)
Impairment charge - loans	(917)	(114)	
Share of Associates/JVs	<u>(1)</u>	<u>(40)</u>	
(Loss) / Profit before tax	(655)	286	(329%)

Asset quality

Retail Ireland Loan impairment charge by portfolio - bps			
Annualised bps	6 mths to Sept 09	6 mths to Mar 09	6 mths to Sept 08
Residential mortgages	68	42	2
Non property SME	259	212	55
Property & construction	989	512	51
Consumer (unsecured)	597	587	238
Total	333	216	42

Divisional performance

- Continued adverse impact of contraction in Irish economy, poor consumer sentiment, subdued demand for credit, intense competition for deposits and a deterioration in asset quality
- Net Interest Income down 19%
 - Intense competition for deposits / low interest rate environment ; partly compensated for by higher margins on new lending though on muted volumes.
- Other income down 31%
 - Impairment on investment properties €24m, higher general insurance claims, lower fee income due to reduced activity and €24m gain in Sept 08 (Visa IPO)
- Operating expenses down 5%
- Significant increase in impairment charge to €917m (333bps) in the 6 months to 30 Sept 09 from the charge of €114m (42bps) in the 6 months to 30 Sept 2008.
 - Of the increase in charge of €803m: 12% relates to residential mortgages; 6% to consumer (unsecured) loans; 16% to non property SME and 66% to property and construction

Income Statement* (IFRS Performance)

Underlying profit before tax	Sept 09 €m	Sept 08 €m	% Change
Operating income	83	120	(31%)
Operating expenses	<u>(53)</u>	<u>(54)</u>	(2%)
Operating profit	30	66	(55%)
Investment valuation variance	25	(63)	
Discount & other rate changes	<u>2</u>	=	
Underlying profit before tax	57	3	1,800%

* Note: Underlying excludes non-core items

- Challenging market conditions have impacted the wider life and pensions industry in Ireland
- Operating profit down 55% to €30m in the 6 months to 30 Sept 2009
 - Operating income down 31%
 - APE sales 40% lower in line with the market
 - Lower assets under management due to investment market weakness
 - Poor persistency due to reduced disposable income
 - Operating expenses down 2%
- Positive investment valuation variance of €25m reflecting recovery in world investment markets
- Maintained strong financial position and continues to be significantly in excess of statutory solvency margin reflecting low risk business model
- Profit before tax increased to €57 million

UK Financial Services (Sterling)

Business Unit Performance

(Loss) / Profit before tax	Sept 09 £m	Sept 08 £m	% Change
Business Banking	(241)	57	(523%)
Residential mortgages	49	52	(6%)
Consumer Financial Services	20	25	(20%)
Division Centre	(31)	(17)	83%
(Loss) / Profit before tax	(203)	117	(274%)

UKFS Income Statement

- Operating profit pre impairment up 1% in 6 months to 30 Sept driven by lower costs (down 12%) as a result of rightsizing initiatives together with improved margins on both business and mortgage loan books.

UKFS Loan impairment charge by portfolio - bps			
Annualised bps	6 mths to Sept 09	6 mths to Mar 09	6 mths to Sept 08
Residential Mortgages	28	34	6
Non property SME / corporate	84	211	15
Property & construction	469	293	75
Consumer (unsecured)	203	181	134
Total	160	126	29

Business Banking

- Operating profit down 18% driven by significant deposit margin attrition offset somewhat by increased back-book lending margins and lower costs due to downsizing benefits
- Overall a loss before tax driven by significant increase in impairment charge to £330m (375 bps) in 6 months to Sept 09 (Sept 08: £52m/61bps) – 95% of the Sept 09 charge relating to property and construction

Mortgages

- Operating profit up 49% reflecting improved product margins and a material reduction in costs resulting from closure of the intermediary channel to new business
- Profit before tax down 6% following significant increase in impairment charge to £40m (28bps) in 6 months to Sept 09 (Sept 08: £8m/6bps)

Consumer Financial Services

- Profit before tax down 20% to £20m due to:
 - deposit margin attrition in POFS
 - reduced revenues in our foreign exchange business (FRES) largely as a result of the impact on foreign travel of both the UK recession and weakness of sterling
 - continued investment in new products and services

Business Unit Performance

Underlying (Loss) / Profit before tax	Sept 09 €m	Sept 08 €m	% Change
Corporate Banking	(150)	211	(171%)
Global Markets	85	84	1%
Asset Management	16	(10)	260%
Division Centre	(2)	(2)	
Underlying (Loss) / Profit before tax	(51)	283	(118%)

Income Statement & asset quality

- Operating profit pre impairment down 2% - income down 10% with lower income reported across business units; costs down 26% due to downsizing initiatives and substantial reduction in performance related pay

Capital Markets Loan impairment charge by portfolio - bps			
Annualised bps	6mths to Sept 09	6 mths to Mar 09	6 mths to Sept 08
Non-property corporate	222	101	43
Property and construction	487	314	55
Total	307	170	48

Corporate Banking

- Loss before tax driven by increased impairment charge
 - Increased from €66m in 6 months to Sept 08 to €433m in 6 months to Sept 09
 - Deterioration in asset quality in property and construction portfolio, challenging conditions for Irish mid-tier corporates and some decline in LAF
- Operating profit pre-impairment up 3%
 - Income down 2% due to lower fee income
 - Costs down 19% with strong cost management and benefits from downsizing initiatives

Global Markets

- Profit before tax up 1%
- Operating profit pre impairment down 31% - lower income due to reduced customer business activity in the current economic environment and higher cost of liquidity; costs tightly managed
- Impairment charge on AFS assets of €40m in 6 months to 30 Sept 2008

Asset Management

- Profit before tax of €16m in 6 months to 30 Sept 2009 compared to a loss of €10m in 6 months to 30 Sept 2008 – negative impact of €32m due to Lehman collapse reflected in Sept 08 performance
 - Lower income due to lower assets under management, lower fee income and disposal of US asset management businesses
 - Reduced costs following downsizing initiatives

- Challenging operating environment
- Bank of Ireland has good businesses with resilient business models
- Remain focused on key priorities
 - To support our customers
 - To strengthen our capital
 - Committed to building our capital ratios
 - To continue to fund our balance sheet effectively
 - Achieving more conservative balance sheet metrics
 - To actively manage our credit risks
 - To rigorously manage our costs
- Significant progress made – clear focus on further progress

Questions & Answers

Supplementary

- EPS calculation
- UKFS and Capital Markets – Income Statements
- Ireland and UK Mortgage analysis
 - LTV new business
 - Arrears profile
- Profile of available for sale assets
- Impairment charge and stock of balance sheet provisions
 - By division
- Loan and deposit volume growth
- Contact details

EPS calculation

	Sept 2009 €m	Sept 2008* €m
Profit attributable to stockholders as published	168	631
Restatement for IFRS 2 amendment	-	<u>(3)</u>
Profit attributable to stockholders as restated	168	628
Dividends to other equity interests	(4)	(5)
Dividend required on 2009 preference stock	<u>(140)</u>	-
A Profit attributable to ordinary stockholders	24	623
After tax impact of non-core items	<u>(994)</u>	<u>(74)</u>
B Profit attributable to ordinary stockholders excluding non-core items	(970)	549
C Weighted average number of shares	1,004m	1,002m
D Weighted average number of shares in issue excluding treasury stock and own stock held for the benefit of life assurance policyholders	993m	985m
Basic EPS (A/D)	2.4c	63.2c
Underlying EPS (B/C)	(96.6c)	54.8c

* Note: Restated for the impact of the amendment to IFRS 2 'Share-based Payments'. See slide 5.

Income Statements – UKFS and Capital Markets

Income Statement - UKFS

	Sept 09 £m	Sept 08 £m	% Change
Net interest income	298	308	(3%)
Other income	<u>45</u>	<u>59</u>	(24%)
Total income	343	367	(7%)
Operating expenses	<u>(180)</u>	<u>(205)</u>	(12%)
Operating profit pre-impairment	163	162	1%
Impairment charge	(385)	(69)	458%
Share of associates and joint ventures	<u>19</u>	<u>24</u>	(21%)
Underlying (loss) / profit before tax	(203)	117	(274%)

Income Statement – Capital Markets

	Sept 09 €m	Sept 08 €m	% Change
Net interest income	493	841	
Other income	<u>35</u>	<u>(256)</u>	
Total income	528	585	(10%)
Operating expenses	<u>(146)</u>	<u>(196)</u>	<u>(26%)</u>
Operating profit pre-impairment	382	389	(2%)
Impairment charge	(434)	(66)	557%
Impairment charge on AFS Financial Assets	0	(40)	
Share of associates and joint ventures	<u>1</u>	<u>0</u>	
Underlying (loss) / profit before tax	(51)	283	(118%)

Average Loan to Value – new business

Retail Ireland	Sept 2008	Mar 2009	Sept 2009
Owner Occupied	63%	63%	66%
Investors	59%	57%	46%

Mortgages – arrears profiles

Retail Ireland	1-3 mths	3-6 mths	6-12 mths	12+ mths	Total
Sept 08 (%)	0.76	0.36	0.28	0.27	1.66
Mar 09 (%)	1.06	0.73	0.62	0.58	2.98
Sept 09 (%)	1.36	1.04	0.98	0.94	4.32

Based on values of mortgages in arrears

Residential mortgages – UK

Average Loan to Value – new business

UK	Sept 2008	Mar 2009	Sept 2009
Owner Occupied	63%	66%	63%
Investors	70%	70%	63%
Self Cert	73%	66%	Book closed to new business

Mortgages – arrears profiles

UK	1-3 mths	3-6 mths	6-12 mths	12+ mths	Total
Sept 08 (%)	1.64	0.48	0.21	0.06	2.40
Mar 09 (%)	1.87	0.75	0.47	0.26	3.36
Sept 09 (%)	1.95	0.84	0.51	0.26	3.57

Based on no. of cases in arrears

Profile of available for sale financial assets

Profile of AFS Assets

- Portfolio of Available for sale (AFS) financial assets: €22.7bn (Mar 2009 €26.9bn)
- Liquid asset portfolio at 30 Sept 2009: €21.2bn (Mar 2009 €25.2bn)
- ABS portfolio at 30 Sept 2009: €1.5bn (Mar 2009 €1.7bn)
- Average life of portfolio to maturity – 2 years
- Closing negative AFS reserve balance of €776m (Mar 09: €1,532m) - €756m movement in the 6 months to 30 September 2009; zero impairment through Income Statement in the 6 months to 30 September 2009.

Government securities

- €1.1bn government bonds (Mar 2009 €2.5bn)
- >95% AAA rated
- Closing positive AFS reserve balance of €32m* (Mar 09 positive €38m) - €6m negative movement in the 6 months to 30 September 2009
- 'Mark-to-market' on portfolio 105%

Covered bonds/ Senior bank debt

- €15bn senior bank debt; €5bn Covered bonds; and €0.1bn other (Mar 09: €17.8bn senior bank debt; €4.8bn Covered bonds; and €0.1bn other)
- Average rating AA-
- Closing negative AFS reserve of €363m* (Mar 09: negative €1154) - €791m positive movement in the 6 months to 30 September 2009
- 'Mark-to-market' on portfolio 100%
- No impairment in 6 months to 30 September 2009

ABS portfolio

- €1.5bn ABS portfolio (March 2009 €1.7bn)
- Closing negative AFS reserve balance of €554m** (Mar 09: negative €637m) - €83m positive movement in the 6 months to 30 September 2009
- 'Mark-to-market' on portfolio 83.5%
- No impairment in 6 months to 30 September 2009

* Closing Deferred Tax- Balance Sept 09: positive €44.4m (March 2009: positive €141m), movement in 6 months negative €97m

** Closing Deferred Tax- Balance Sept 09: positive €65m (March 2009: positive €80m), movement in 6 months negative €15m

Impairment charge and stock of balance sheet provisions – by Division

	Group			Retail Ireland			UK Financial Services			Capital Markets		
	Sept 2008	Mar 2009	Sept 2009	Sept 2008	Mar 2009	Sept 2009	Sept 2008	Mar 2009	Sept 2009	Sept 2008	Mar 2009	Sept 2009
Total loans (<i>point in time</i>) (€bn) (before balance sheet impairment provisions)	145	136	135	55	55	55	61	52	53	29	29	28
Impaired loans (€m)	1,908	5,322	8,571	988	2,891	4,463	588	1,165	1,724	332	1,266	2,384
Stock of balance sheet provisions (€m)	841	1,781	3,475	463	997	1,884	173	454	830	204	330	761
Stock of balance sheet provisions / total impaired loans (%)	44	33	41	47	34	42	30	39	48	61	26	32
Impairment charge - 6 mths to (€)	267	1,168	1,787	114	594	917	87	335	437	66	239	433
Impairment charge - annualised (bps)	38	167	260	42	216	333	29	126	160	48	170	307

Loan* & deposit volume growth

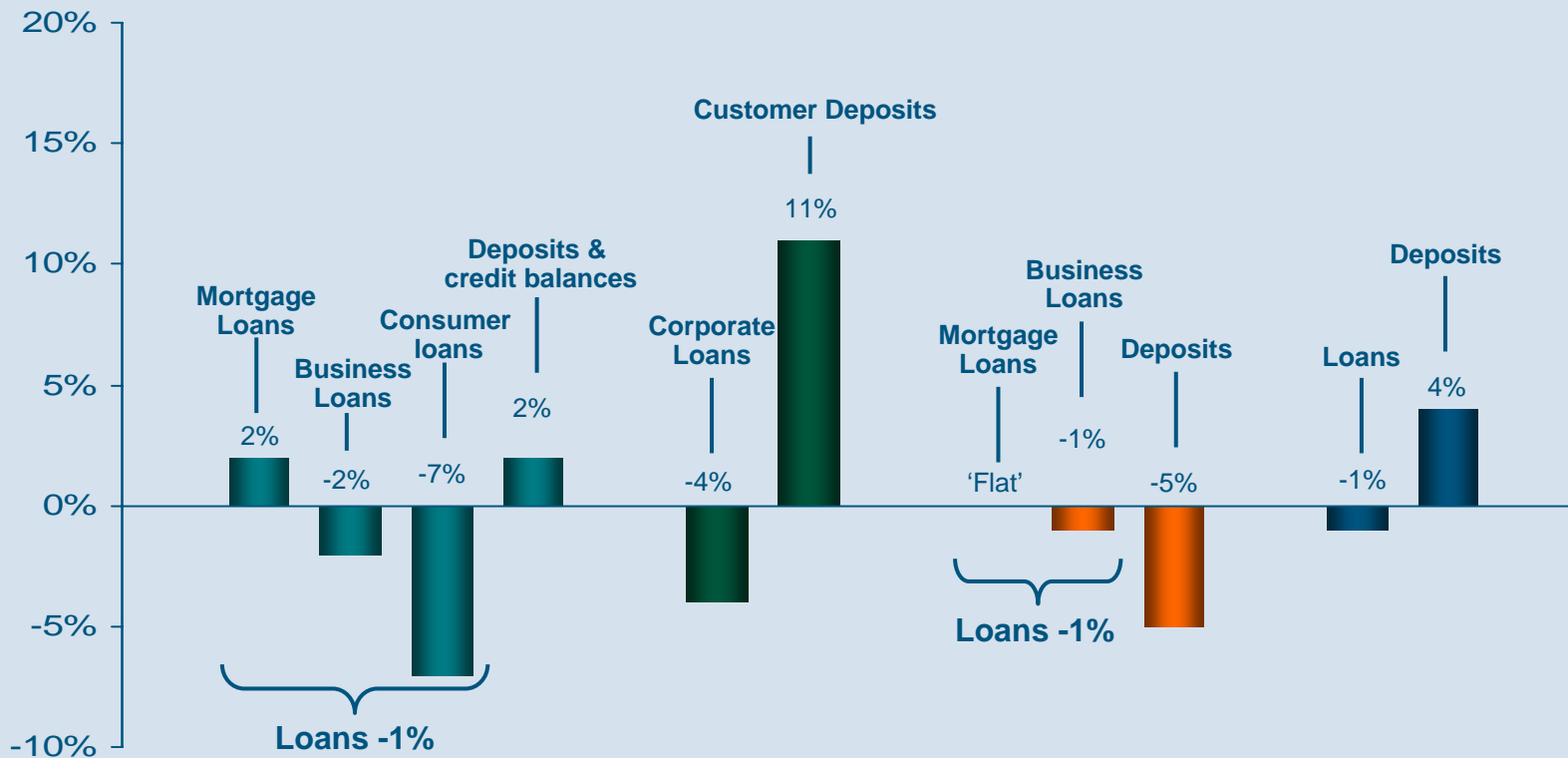
Volume growth** Sept 2009 vs March 2009

Retail Financial Services Ireland

Capital Markets

UKFS Sterling

Group



* Note: Before balance sheet impairment provision.

** Note: Point-in-time volume growth

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Interim Results Announcement

For the 6 months ended 30 September 2009