Interim results - 6 months ended 30 June 2011

Presentation 10 August 2011

Speeches

Slide 1: Title slide

Slide 2: Forward-looking statement

Slide 3: Title slide – Richie Boucher

Slide 4: Presentation of interim results

Good Morning.
I would like to welcome those people here in Dublin and those joining by conference call to our presentation of our Interim Results for the 6 months to June 30 2011.

I will do a short presentation following which John O'Donovan will do a more detailed run through of the numbers and we will then move to Q & A.

Slide 5: Overview

Our underlying loss before tax for H1 2011 is €723m compared to €1,320m for H1 2010. The reduction in the loss before tax has been driven by reduced impairment charges and losses on disposals of assets to NAMA.

Operating income was also adversely impacted by the cost of funding and the ELG Government guarantee, and by two discrete items

- The mark-to-market impact of widening yields on Irish Government bonds held by our Life business, and
- The accounting impact of fair value movements in currency swaps that hedge the funding of our UK balance sheet

Impairment charges on our non-NAMA portfolios remain elevated but within our expectations. We maintain our expectation that impairments peaked in 2009, reduced in 2010 with anticipated reductions in 2011 and subsequent years.

Despite the difficult environment we have considerably strengthened our capital base, and also accessed term funding markets, raising €2.9bn of term funding on an unguaranteed, secured basis.

Our deleveraging plan is on track with sales processes well advanced for a number of our non-core portfolios.

Costs remain well controlled with the benefits of actions taken over the past couple of years beginning to flow through.

We continue to focus on our key priorities and are well positioned in our core franchises to deliver on our strategic objectives. Although there are signs that the Irish economy is beginning to stabilise, international concerns may impact on global growth

Slide 6: Key Strategic Goals

Our priorities going forward are centred around our key strategic goals which are:

- To be the leading Irish retail and commercial bank in a consolidating sector
- To be well positioned in our core markets with strong customer franchises and market positions capable of supporting future economic recovery
- To be strongly capitalised without reliance on exceptional Monetary Authority support and government guarantees
- To have a sustainable funding base with our core loan portfolios substantially funded by customer deposits and term wholesale funding
- To be operationally efficient with sustainable, lower cost structures
- To achieve appropriate returns on services and products to ensure that costs are covered, risk is appropriately priced and capital is remunerated and rewarded
- To achieve attractive returns for stockholders through strong operational performance and the return of surplus capital

Slide 7: Overview of Capital Raising to date

Perhaps it would be useful to give a quick reprise of our Capital Programme.

Through our Liability Management exercise completed to date we generated circa €2billion of equity with over 95% of accepting bond holders opting for equity in the voluntary exercise. In the Rights Issue and Rump Placing, we generated €1.91billion and incorporated within this phase a group of substantial long term focussed investors have agreed to purchase 10.5billion shares from the State at 10c a share for a 34.9% shareholding in the Bank, subject to regulatory and shareholder approvals.

With a further €0.4billion to come from the completion of the Liability Management exercises, envisaged further burden sharing and other actions will bring us to €4.2billion of equity capital generated, net of fees and costs, with a proforma Core Tier 1 ratio of 15.4% at June 30 2011.

The State has also subscribed for a €1.0billion contingent capital instrument with a 5 year life, a 10% coupon and an 8.25% Core Tier 1 trigger.

On the basis of the foregoing, the State will own 15% of the Bank, former bondholders will own 19%, existing shareholders and new shareholders will have a circa two thirds ownership.

Slide 8: Clear Path to Deleveraging

We are continuing to make progress on our Deleveraging Plan where the primary focus is on the asset side of the balance sheet and some anticipated deposit growth in our core franchises.

We have identified loan portfolios which are for sale namely Project Finance, Burdale, US Commercial Real Estate, a portion of our UK Commercial Real Estate Books and some of our UK Mortgage portfolios. These processes are well underway and are progressing broadly in accordance with our expectations.

Loan redemptions, repayments and refinancings in our non-core portfolios in rundown are also in line with expectations. Deposits are also broadly on track, albeit with some slight pressure, which has been mitigated by our term funding targets being ahead of expectations and our loan book falling a little bit faster than anticipated.

Slide 9: Financial Targets 2014

Our financial targets for the year to December 2014 were set out in our Investment Case and we continue to believe them to be realistic and achievable and we are broadly on track to deliver them.

To remind ourselves, by end 2014 we anticipated loans and advances to customers will be circa €90 billion, net of provisions, which is circa €17 billion lower than June 2011.

Through our deleveraging initiatives, the Group's loan to deposit ratio will reduce to less that 120%. We also expect to have disengaged from the ELG guarantee.

Net Interest Margin is a key management priority and we have a target of greater than 200 bps driven by a normalisation of deposit pricing and continued re-pricing of new lending, and back books where possible for risk and the cost of funds.

By re-aligning the Group cost base to reflect the Group's revised structure and strategy, we are aiming for a cost income ratio of less than 50%.

We also expect that impairment will normalise by 2014 with normalised impairment charges of circa 55 – 65bp of the loan portfolio

Assuming a regulatory minimum of 10.5% and a buffer over that, achieving these targets should see us generating quite a lot of surplus capital.

May I now turn over to John O'Donovan who will review our interim results in more detail.

Slide 10: John O'Donovan - Group Chief Financial Officer

Thank-you Richie. Good morning everyone.

My presentation today, as well as covering the Group's financial performance for H1 2011, will also focus on other key areas of continuing focus for investors namely asset quality and funding.

In addition for your information, we've also included more detailed supplementary information and analysis at the back of the presentation pack.

Slide 11: Group Financial Performance H1 2011

Turning to the Group Financial Performance for H1 2011.

Slide 12: Group Income Statement

Commentary on financial performance is on an underlying basis excluding non-core items which are itemised on slide 36. For the six months to June 2011, non-core items amounted to 167 million euro compared to 1.4 billion euro for H1 2010 – both being positive to the income statement.

Total income, for H1 2011 versus H1 2010, is 28% lower reflecting the impact of a significant reduction in average earning assets as we delever the Group, some further margin attrition, higher costs of the Government guarantee - together with the impact in our Life Business of widening yields on Irish Government bonds, fair valued through the profit and loss account, and the accounting impact of fair value movements in currency swaps that economically hedge the funding of the Group's sterling balance sheet. Operating costs are being rigorously managed and are down 8%, H1 2011 compared to H1 2010.

As a result of the above mentioned income pressures, operating profit pre-impairment charges for the first half of 2011 at 163 million euro, is 316 million euro lower than H1 2010.

Impairment charges on loans and advances to customers, excluding assets held for sale to NAMA, were 842 million euro, a reduction of 22% on the first half of 2010. The reduction in underlying loss before tax in H1 2011 to 723 million euro, compared to 1.3 billion euro in H1 2010 is positively impacted by the significant losses, both impairment charges and loss on sale, incurred on NAMA loan assets in H1 2010.

Slide 13: Net Interest Margin (NIM)

Net interest income, excluding the cost of the ELG scheme and IFRS income classifications, at 966 million euro in H1 2011 is 17% lower compared to H1 2010, driven by an 18 billion euro or 11% reduction in average interest earning assets and a reduction in the Group's annualised net interest margin of 8 basis points to 1.33%, compared to 1.41% for H1 2010. Comparing the annualised NIM for the first half of 2011 to the second half of 2010, it has reduced by 17 basis points.

The NIM for H2 2010 was 9 basis points higher than H1 2010. This improvement in net interest margin in H2 2010 was driven by loan book repricing which added 15 basis points to the NIM, with the higher cost of wholesale funding and the impact of deposit pricing in the second half each resulting in 3 basis points margin attrition.

If we now look to the first half of 2011 and compare the NIM to H2 2010, the most significant factor contributing to margin attrition is the higher cost of wholesale funding which reduced the Group's net interest margin by 17 basis points. Balance sheet structure, reflecting changes in the mix of assets and liabilities reduced net interest margin by a further 4 basis points and these negative impacts were partially offset by a 1 basis point improvement relating to customer

deposits, and 3 basis points improvement relating to the continued impact of the Group's re-pricing initiatives on its loan books.

Margin expansion remains a key management priority. Our net interest margin has been adversely impacted by the low interest rate environment, intense competition for deposits and higher wholesale funding costs.

I think it is also worth noting that the Group's net interest margin should be positively impacted, over time, by a return to more sustainable deposit pricing, together with increases in interest rates, the repayment of expensive wholesale funding as the Group delevers its balance sheet, and continued management actions to re-price back books, where sensible and possible, and achieve higher margins on new business flows.

Slide 14: Government Guarantee Fees

Government guarantee fees in H1 2011 at 239 million euro are 88 million euro or 58% higher compared to H1 2010. This increase has been driven by the increases in fees payable following the various extensions of the ELG scheme, and the impact of rating downgrades.

At June '11, 44 billion euro were covered under the ELG scheme compared to 39 billion euro at December '10. The increase in covered liabilities relates to self-issued bonds which were issued to replace sterling collateral that became ECB ineligible in January '11 when non-Euro currency collateral became ineligible for ECB liquidity operations. It should be noted that some of this sterling collateral has recently been used to support unguaranteed secured term issuance.

Slide 15: Net Other Income

Net Other Income in H1 2011 at 280 million euro is 109 million euro or 28% lower compared to H1 2010. Although there are a number of factors, as set out in the slide, impacting the half on half comparison, there are 2 factors that contribute 110 million euro of this reduction in net other income.

Firstly, we experienced a charge of 60 million euro due to the accounting impact of negative fair value movements in currency swaps that economically hedge the funding of the Group's sterling balance sheet, and secondly, in our Life Business, we experienced a 50 million euro 'fair value through the profit and loss account' charge, arising from widening yields on Irish Government bonds held by our Life Business on its 'own account'.

It is important to note however, that core banking fees and commissions for H1 2011 increased by 5% to 283 million euro compared to H1 2010, and operating income in our Life Business increased by 8% to 90 million euro due to a 17% increase in APE sales in H1 2011.

Slide 16: Operating Expenses

We continue to tightly manage operating expenses across all cost categories, and operating expenses were down 8% in H1 2011 compared to H1 in the prior year. Pension costs are down 63 million euro or 59% reflecting changes to pension benefits that were introduced in 2010 to address pension scheme deficits. In addition, staff costs are down 7% as a result of reduced

staff numbers and ongoing remuneration restraint. Non-staff costs for the first half of 2011 increased by 5% compared to the first half of 2010 due to one-off costs relating to the transition of outsourcing contracts and costs relating to the 2011 PCAR process. The Group maintains a very tight discipline on managing its cost base and continues to drive efficiencies through improved work practices, continuing consolidation of operations and following through from the renegotiation of key contracts with suppliers in 2010.

Section 2 – Asset quality

Slide 17: Section 2 – Asset quality

Turning now to asset quality and the profile of total Loans and Advances to Customers - (excluding loans held for sale to NAMA which at June 2011 amounted to circa 800 million euro).

Slide 18: Profile of total loans and advances to customers (excluding loans held for sale to NAMA)

Throughout this presentation we have presented the December '09 comparatives on a proforma basis to reflect changes to NAMA eligibility arising from the decision not to transfer Land and Development loans of less than 20 million euro to NAMA. Consequently, December '09 includes 1.9 billion euro of loans that were previously classified as assets held for sale to NAMA.

Total loans and advances to customers before balance sheet impairment provisions at June '11 were 112 billion euro.

We continue to see a reduction in the Group's loan book, a trend evident since December '09, as demand for new lending has remained muted and proactive deleveraging of our balance sheet continues. In particular, since December '10, the Group's loan book has reduced by 6% reflecting loan repayments and redemptions, foreign exchange movements, some loan disposals and muted demand for new lending.

The largest element of the Group's loan book continues to be residential mortgages in Ireland and the UK which comprise 52% of total loans. The corporate and SME portfolios represent 25%, lending to the property and construction sectors 20%, whilst our portfolio of consumer loans is relatively modest at 3%.

The Group's loan book remains diversified geographically with 48% of the Group's lending in the Republic of Ireland, 46% in the UK, and the remaining 6% primarily in Western Europe and the US.

Slide 19: Impaired Loans, Impairment Provisions and Impairment Charges (excluding loans held for sale to NAMA)

The Group impairment charge for H1 2011 amounted to 842 million euro – compared to 1.1 billion euro in H1 2010, with reduced charges in all portfolios with the exception of Irish residential mortgages. Our experience continues to support our view that impairments peaked in 2009, reduced in 2010 with anticipated further reductions in 2011 and beyond.

There has been an increase in the quantum of impaired loans which have risen by 1.3 billion euro from 11 billion euro at December '10 to 12.3 billion euro or 11 % of loans at June '11. This increase is primarily related to the Group's investment property loan book due to the continuing weak economic environment together with a significant increase in loans that are "90 days past due" where the terms of such facilities are currently being renegotiated, including loan repricing, but where no impairment loss is anticipated.

We have increased the quantum of provisions against impaired loans from 5 billion euro at December '10 to 5.4 billion euro at June '11 with an overall coverage ratio on the Group's impaired loans at June '11 of 44%.

Coverage ratios are influenced by the nature of the loan assets and the extent and quality of collateral held by the Group in support of these assets and therefore vary across each loan category. In addition, coverage ratios are also impacted by the significant quantum of loans greater than 90 days past due, that are currently being renegotiated. Coverage ratios on the Group's individual portfolios are included in the supplementary information in the presentation pack.

Slide 20: UK Residential Mortgages - £27 bn June 2011

The UK mortgage book has declined by 2% June '11 compared to December '10 – with our 'run-down' intermediary mortgage book down 4% for the period and 17% since it was placed into run-down in January '09. There continues to be signs of stabilization in the UK housing market with house prices rising 4% in the 6 months to June '11, and down 10% from their peak in October 2007. Some negative equity remains in our portfolio –amounting to circa 146 million pounds sterling at June '11.

Arrears in the overall UK mortgage book have stabilized, with arrears greater than 90 days at 196 bps at June '11 compared to 199bps at Dec '10.

The annualized impairment charge in the UK mortgage book continues to trend downwards with a 12bps charge in H1 2011, compared to 17 bps in H2 2010, and 21 bps in H1 2010.

Slide 21: ROI Residential Mortgages - €28 bn June 2011

Turning to our Irish residential mortgage book.

The Irish residential mortgage portfolio is flat June '11 compared to December '10 with mortgage repayments offsetting new business volumes which continue to be muted, albeit we accounted for, in excess of 40% of new business flows in the market in H1 2011.

House prices remain weak although the pace of decline in Irish residential property prices continues to moderate with house prices falling by 7.5% in 2011 year to date, and 42% since their peak.

Net negative equity in our portfolio at June'11 was approximately 3.2 billion euro, up from 2.3 billion euro at December '10.

The asset quality of the Irish mortgage portfolio has deteriorated, with an annualized impairment charge of 101bps for H1 2011 compared to 70bps in H1 of the prior year, reflecting deterioration particularly in our buy-to-let portfolio. It should be noted that the higher impairment charge for H2 2010, was primarily driven by our increasing the peak to trough house price decline assumption from 45% to 55%. Unemployment remains the key risk driver of impairment in our mortgage portfolio and the charge reflects high unemployment levels and lower disposable incomes, partly mitigated by the continuing low interest rate environment.

Arrears levels have increased in the book with the number of mortgages, 90 days or more in arrears, at 518bps in June '11, comprising 455bps for Owner Occupiers and 784bps for the buy-to-let portfolio. The rate of arrears on Owner Occupier compares to 634bps as published by the Central Bank for Owner Occupier mortgages at March '11 being the latest data published. We continue to work closely with those of our customers who face financial difficulties and we operate the Central Bank's code of conduct on mortgage arrears. The arrears level in our buy-to-let portfolio is primarily driven by the segment of the book related to professional investors and those with associations to the property market representing circa 40% of our buy-to-let book. Arrears in this segment remain significantly elevated compared to the other 60% of the buy-to-let portfolio.

The level of possessions in our total Irish residential mortgage portfolio remains low with 130 properties currently in possession; however the trend of new possessions in 2011 has shown a significant increase over 2010.

Slide 22: Non-property Corporate and SME loans

The Group's corporate and SME portfolio reduced by 10% in the 6 months to June 2011. This reduction has been driven by foreign exchange movements, muted demand for new lending, customer repayments and some loan sales.

The portfolio is diversified across a range of business lines, sectors and geographies. We continue to experience some divergence in performance between our Corporate portfolio and SME portfolio, with loans to internationally focussed customers performing relatively better compared to the continued pressure being experienced in the domestic Irish SME sector.

The impairment charge of 251 million euro in the corporate and SME portfolio in H1 2011 remains elevated and reflects in particular the impact of the continued pressure in sectors of the Irish economy that are correlated with consumer spending.

Slide 23: Investment Property Loan Portfolio

Our investment property loan portfolio totals 19 billion euro and is 17% of the Group's loan book. Total volume decreased by 1 billion euro in H1 2011, primarily driven by foreign exchange movements and customer repayments.

This portfolio is broadly diversified with a bias towards the retail sector and is geographically spread with 38% in Ireland, 57% in the UK, and the balance in the US and Europe.

The impairment charge on the portfolio in H1 2011 was 195 million euro, compared to 188 million euro in H1 of the prior year.

The balance sheet impairment provision on the portfolio at June ’11 is 1.2 billion euro or 29% coverage on impaired loans of 4 billion euro. The increase in impaired loans from December ’10 and the resultant decrease in coverage ratio is impacted by an increase in loans that are 90 days past due, where the terms of such facilities are being renegotiated, including loan repricing, but where no impairment loss is anticipated.

Slide 24: Land and Development Loan Portfolio

The Group’s Land and Development loan portfolio of 4 billion euro now represents just 3% of the Group’s loan book.

These Land and Development loans are geographically spread with 59% in Ireland, and 40% in the UK.

The level of impaired loans at June ’11 has remained broadly stable compared to December ’10. The impairment charge on the portfolio was 191 million euro in H1 2011 compared to 316 million euro in H1 2010. The balance sheet impairment provision on the portfolio at June ’11 is 1.5 billion euro or 50% coverage on impaired loans of 3 billion euro, reflecting no change since December ‘10.

Slide 25: Consumer Loans

Our Consumer loan portfolio is 3.3 billion euro at June ’11, down 11% from December ’10, reflecting customer repayments and muted demand for new lending.

Arrears levels continue to improve and are better than our expectation in both Ireland and the UK. Impairment charges in this portfolio of 46 million euro in H1 2011 compare to 80 million euro in H1 2010.

Impaired loans and impairment provisions in this portfolio at June ’11 show little change from December ’10.

Slide 26: Loans held for sale to NAMA

The Group has circa 800 million euro of loans remaining on its balance sheet, in June ‘11, awaiting transfer to NAMA. These assets are broadly split, half in Ireland with the other half in the UK, and are two thirds investment property loans and one third land and development loans.

We maintain impairment provisions of circa 200 million euro against this portfolio. Due to the prevalence of investment property loans in the portfolio, we expect the gross discount on transfer to NAMA, to be lower than the gross discount incurred on NAMA transfers to date.

Section 4

Slide 27: Funding and Capital

Turning now to the fourth section of today's presentation – Funding and Capital

Slide 28: Balance Sheet Funding

The size of the Group's balance sheet has materially reduced since December '09 – down 15% or 26 billion euro.

Our funding strategy envisages that future lending in our core portfolios will be substantially funded through customer deposits. We are taking action to delever the Group balance sheet by disposing of some non-core loan portfolios, and putting other portfolios into controlled rundown whilst providing capacity to our core relationship businesses. We target a loan to deposit ratio of less than 120 percent by December '14.

The continuing concerns regarding sovereign debt levels in the Eurozone, adversely impacted the implementation of our funding strategy since mid 2010, where there has been limited access to wholesale funding markets. This resulted in a shortening of the maturity profile of the Group's wholesale funding, outflows of ratings sensitive deposits in our capital markets business in the second half of 2010, and an increased reliance on funding from Monetary Authorities and the Central Bank.

However, if we look back at wholesale funding, this peaked at 85 billion euro in September 2007. The progress we have made since then to delever the balance sheet has reduced our wholesale funding to 61 billion euro at June '11, a reduction of 24 billion euro or 28%.

Our deleveraging plan includes a range of initiatives that will further reduce the size of the Group balance sheet, enable us to continue to reduce our wholesale funding requirement and thereby enable the repayment of funding from Monetary Authorities and the Central Bank. Whilst wholesale funding markets are currently difficult, and likely to remain so for the immediate future, the Group's reliance on such funding will materially reduce as our balance sheet reduces. Wholesale funding has been available to the Group, in very difficult markets, on a secured basis, year to date in 2011, albeit at higher costs but within our budgeted expectations. We anticipate being able to continue accessing wholesale funding markets on this basis.

Slide 29: Group Customer deposits

Customer deposits were 65 billion euro at 30 June 2011, in line with December '10, although deposits at June '11 were adversely impacted by circa 1 billion euro due to foreign exchange movements.

In our Retail Ireland business, deposits have remained stable despite continuing intense competition, credit balances at June '11 were 1 billion euro lower than December '10. Our share of the total resources market in Ireland remains in the mid 20's percent - supported by the strength of our brand, distribution and franchise. The deposit market in Ireland remains challenging with respect to quantity and price.

The establishment of a UK licensed banking subsidiary in November 2010 greatly enhances our deposit gathering positioning within the UK market and strengthens our relationship with the UK Post Office.

Our joint venture with the Post Office continues to be a valuable source of granular retail deposits – with growth of 2.2 billion pounds sterling in H1 2011. A particular positive feature of this book continues to be the high level of retentions on the rollover of deposits.

In Capital Markets during H1 2011, the disposal of Bank of Ireland Securities Services (BOISS) resulted in an outflow of circa 1 billion euro in deposits related to that business, and we also experienced further other outflows of 1.5 billion euro. Capital markets deposits at June '11 included 3 billion euro of deposits from the NTMA.

The reduction in loans and advances to customers has resulted in a decrease in the Group's loan to deposit ratio to 164% at 30 June 2011 compared to 175% in December '10. We expect to see further improvements in this ratio as further deleveraging initiatives, which are in process, are completed.

Slide 30: Wholesale Funding

Turning to wholesale funding

The quantum of wholesale funding decreased to 61 billion euro at June '11 from 70 billion euro in December '10. This decrease was driven by the reduction in customer loans and a reduction in liquid assets.

Our short term, wholesale funding has decreased to 42 billion euro at June '11 from 48 billion at December '10 reflecting the reduction in assets since December '10. Despite the difficult market conditions and limited access to wholesale funding, our usage of liquidity facilities provided by Monetary Authorities and the additional liquidity facilities provided by the Central Bank, has reduced by 2 billion euro since December '10, with net drawings of 29 billion euro at June '11.

In June and July 2011, despite the difficult funding environment, we have accessed unguaranteed term funding of 2.9 billion euro with an average maturity of 2.2 years, through bi-lateral secured repo transactions, utilising securities in our UK mortgage portfolios. Although the pricing reflects a market premium, it was within our budgeted expectation and represents an important step on the path to funding normalisation, and reflects the capacity of the Group to access term wholesale funding.

Slide 31: Capital position and capital raising

Turning to capital.
Risk Weighted Assets decreased by 10% or 8 billion euro in H1 2011, due to the reduction in loans and advances to customers, impairment charges, and foreign exchange movements.

The Group’s Core tier 1 ratio of 9.5% in June 11 is 20 bps lower than December ’10 as the positive impact from the reduction in risk weighted assets is more than offset by the loss incurred in H1 2011.

In July 2011, we completed the most significant elements of the capital raising programme required by the 2011 PCAR, which generated a total of 3.8 billion euro in equity capital after expenses. A further 400 million euro in equity capital is anticipated, by December ’11, from further liability management and subordinated debt burden sharing. On a proforma basis, assuming the 4.2 billion euro capital raising had been completed at 30 June ’11, the Group’s Core Tier 1 ratio would have been 15.4 percent

The Group also issued 1 billion euro in a contingent capital instrument to the NPRFC on the 29 July 2011. This security is classified as Lower Tier 2 capital.

Slide 32: Summary

Trading conditions in 2011 remain challenging.

Funding markets continue to be difficult, however we have issued 2.9 billion euro in unguaranteed term funding in 2011 year to date. This represents an important step on the path to normalisation, and reflects the capacity of the Group to access term wholesale funding. Net interest margin remains under pressure, due to the elevated cost of funding for both deposits and market funding and we do not expect any material improvement, in the remainder of 2011.

Impairments remain within our expectations and we maintain our expectation that the impairment charges on our non-NAMA loans peaked in 2009, reduced in 2010, with anticipated further reductions in 2011 and beyond.

We are implementing our deleveraging plan which will reduce the size of our Group balance sheet, enable the repayment of Monetary Authority funding, achieve a more conservative funding profile and a significantly lower wholesale funding requirement.

With our strengthened capital base, our core franchises are well positioned to support our corporate, business and personal customers as the Irish economy recovers, notwithstanding ongoing issues in international sovereign and capital markets, that may impact on global growth.

Thank you, Richie and I will now move to Q & A.