



Merrill Lynch Dublin Conference

Property and Construction in Ireland

14th June 2007

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.

Introducing Bank of Ireland

Bank of Ireland Group

Brian Goggin

Retail Financial Services Ireland

Richie Boucher

- Personal Banking
- Mortgages
- Business Banking
- Wealth Management

Capital Markets

Denis Donovan

- Corporate Banking
- Global Markets
- Asset Management
- Corporate Finance

UK Financial Services

Des Crowley

- Mortgages
- Business Banking
- Consumer Financial Services

Year end highlights

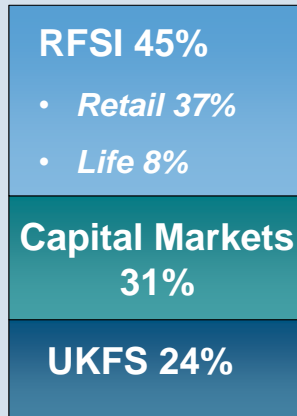
	March 2007	March 2006	Change
Underlying profit before tax	€1700m	€1393m	↑ 22%
Underlying earnings per share	144.6c	118.5c	↑ 22%
Profit before tax	€1958m	€1524m	↑ 28%
Earnings per share	172.2c	128.5c	↑ 34%
Impairment losses	9bps	11bps	↓ 2bps
Dividend	60.4c	52.5c	↑ 15%
Return on equity	23%	24%	↓ 1%
Cost / income ratio	54%	57%	↓ 3%
Tier 1 capital ratio	8.2%	7.5%	↑ 0.7%

Note: Underlying excludes the impact of non-core items: gain on disposal of business activities/property; gross-up for policyholder tax in the Life business; investment return on treasury shares held for policyholders; hedge ineffectiveness on transition to IFRS and cost of restructuring programme.



Year end highlights

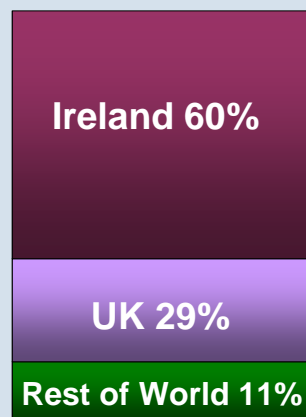
% of Group PBT by Division



Strong performance across the Group

- Retail Ireland PBT +27%
- Life operating profit +29%
- Capital Markets PBT +21%
- UK Financial Services PBT +26%

% of Group PBT by geography



Strategic Transformation Programme ahead of schedule

- Significantly exceeded annual target
 - €95m sustainable savings achieved in current year versus €75m target
- Programme to complete 1 year ahead of schedule and achieve annualised savings of €140m versus €120m

Delivery on a clear and proven strategy

	12 months to 31 March 2005	12 months to 31 March 2006	12 months to 31 March 2007
Underlying PBT	+ 5%*	+ 16%	+ 22%
Underlying EPS	+ 7%*	+ 16%	+ 22%
Impairment losses	11bps*	11 bps	9bps
Dividend	+ 10%	+ 15%	+ 15%
Return on equity	23%	24%	23%
Cost / income ratio	60%	57%	54%

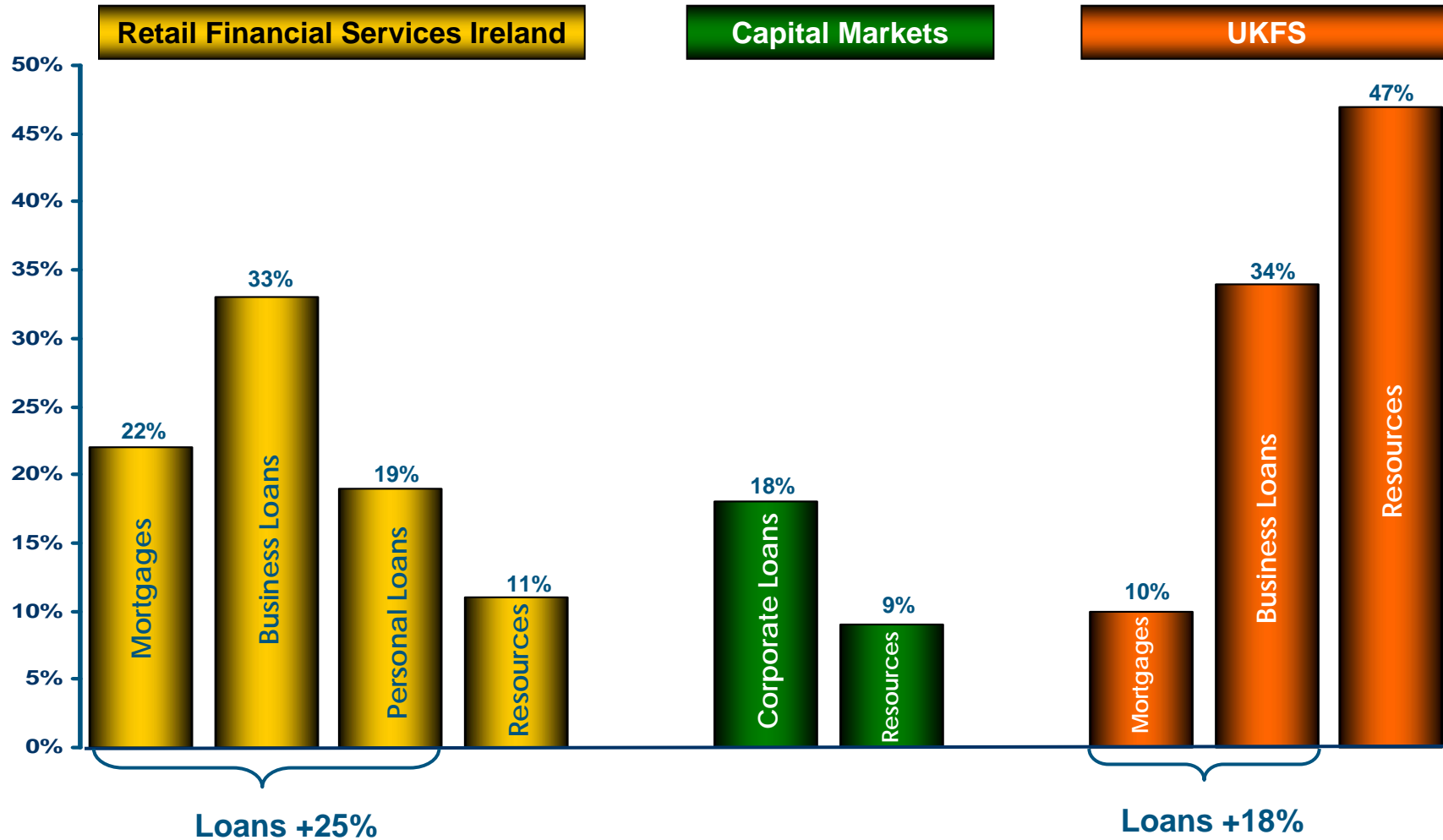
Note: *Irish GAAP

Restructured, refocused and revitalised

- Delivering on a clear and proven strategy
- Considerable progress made
 - New operating model established
 - Strengthened our leading domestic franchise
 - Revitalised and refocused our UK Division
 - Established international platforms and delivering growth
- Significant growth potential across the Group

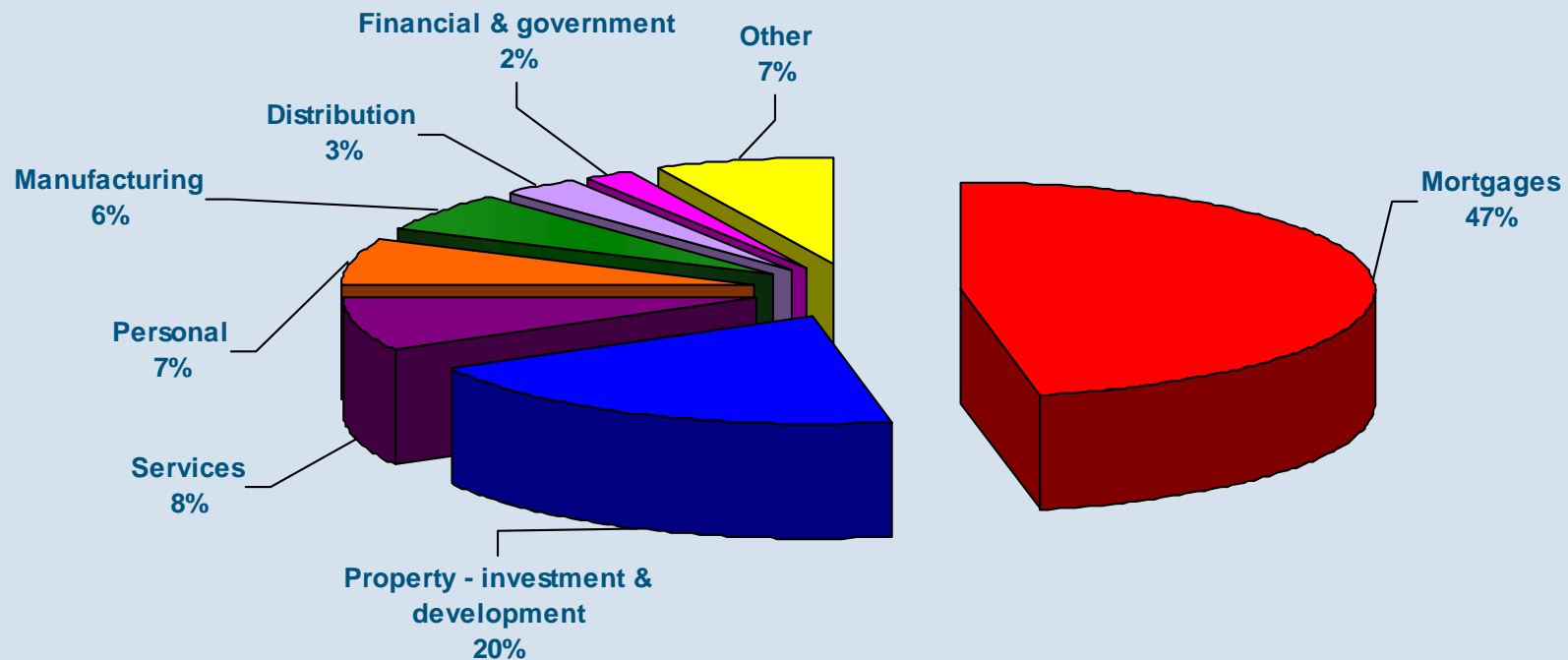
Strong loan & resources volume growth

Divisional volume growth March 07 vs March 06



Profile of Loans & Advances to Customers - €125.5bn

% of Group loan portfolio



Group lending

Well diversified across portfolios, sectors and geographies

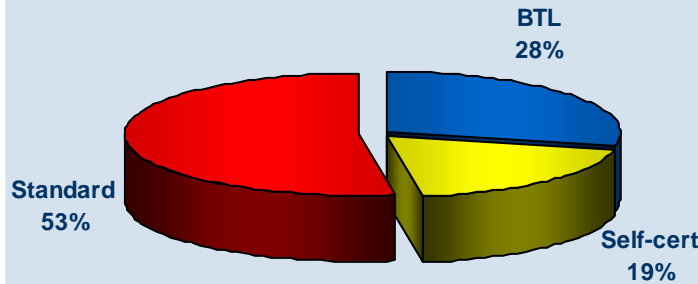
Residential mortgages – 47% of Group loan book

UK

58% of Group mortgages

UK mortgage book

£24bn sterling



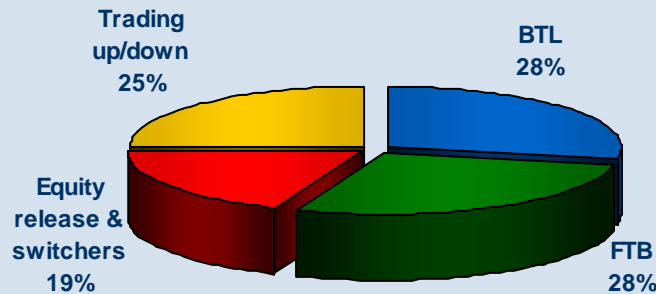
- Excellent asset quality
 - 0.54% arrears vs. 0.89% industry
 - 2006: 196 repossessions vs. 17,000 industry
- Extended product range to include Professional BTL
 - Max. LTV 75% for >£1m; max. loan £20m
- Conservative credit policy
 - Standard max. LTV 85% for >£500k
 - BTL max. LTV 90%
 - Self-cert max. LTV 90%, max. loan £500k
- No sub-prime lending

Ireland

42% of Group mortgages

Irish mortgage book

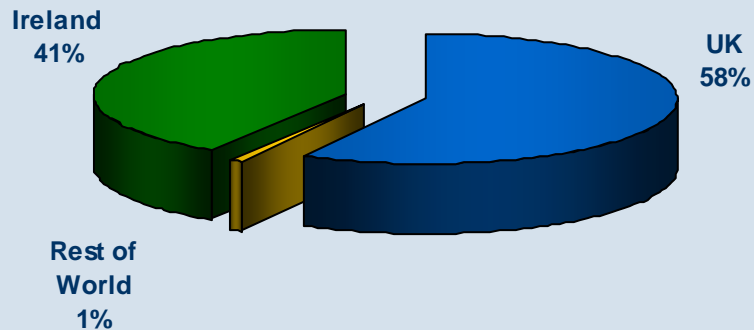
€25bn



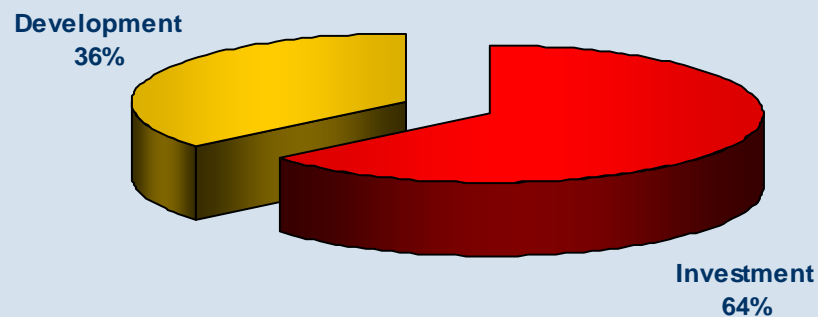
- Excellent asset quality
 - 0.51% arrears
 - 06/07 repossessions: 2 (voluntary)
- 100% LTV product
 - < 3% total book
 - 7% new advances
 - Stringent qualification criteria
- Tight conservative credit policy
 - Residential stress-tested to ECB +3%
 - BTL 'professional investor' bias, max. LTV 90%
- No sub-prime lending

Property: investment & development – 20% of Group loan book

Geographic profile



Development vs. investment



Property lending

International

- UK focus
- No indirect/direct exposure to US sub-prime market
- Diversified risk

Ireland

- Lending to high quality developers
- Existing customers
- Shift over past 18 months from development to investment and from residential to commercial
- Commercial property shortage

Personal Lending - a diverse and successful business

Mortgages

- €25bn book
- Distribution:
 - Branches 63%
 - Mortgage Stores 6%
 - Brokers 31%
- Excellent cross-sales
- No 1 in competitive market
 - 19.5% share of national book



Bank of Ireland mortgage strategy

- **Prime lender**
 - First time buyers
 - Trading up buyers
 - Equity release
 - Investors
 - Switchers
- **Multi-channel, multi brand**
 - Broadest distribution reach
 - Branches 273
 - Brokers 500
 - Mortgage stores 8
- **Best advice based proposition**
 - Dedicated, qualified mortgage advisor in all branches / stores
 - Cross-sale opportunities
- **Service excellence**
 - Full service provider
 - Market leading broker IT platform



Underpinned by favourable economic and demographic environment

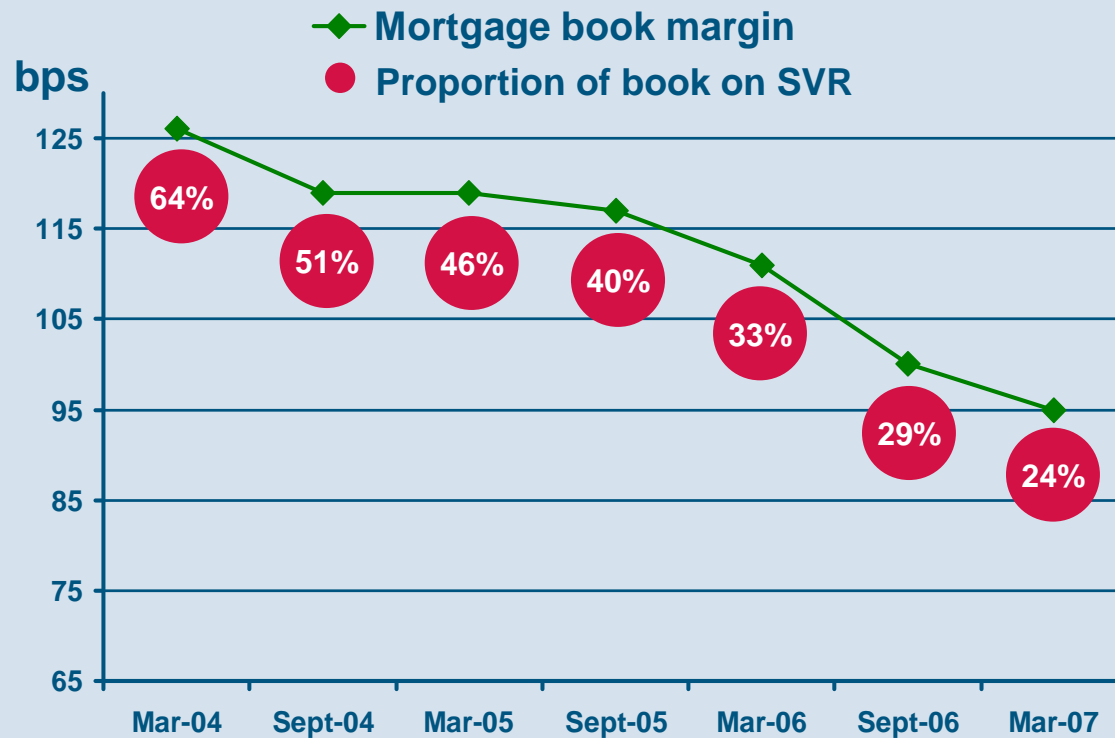
Dynamics of the mortgage business are changing

Customer segment	2005	2006	2007
First Time Buyer	29%	28%	25%
Trading Up Buyer	25%	25%	23%
Equity Release (ER)	14%	14%	13%
Switcher	7%	7%	8%
RIL (Buy-to-Let)	25%	26%	31%
Average LTVs	2005	2006	2007
Owner occupier (excl. ER)	73%	75%	74%
Investor	64%	64%	63%
Fixed vs. variable	2005	2006	2007
Fixed	39%	28%	26%
Variable – Tracker	44%	63%	68%
Variable - SVR	17%	9%	6%

- Positive backdrop to Irish housing market
- Increasing interest rates and property prices impacting purchasing capability, particularly for first-time buyers
- Significant equity provided by purchasers
- 100% mortgage product expected to account for only 7% of new business
- Buy-to-let proposition aimed at non-amateur investors – 3 or more properties
- Majority of customers opt for a tracker product, with 2-5 year fixed products becoming increasingly popular.

All figures relate to new business for 12 months to March of each year

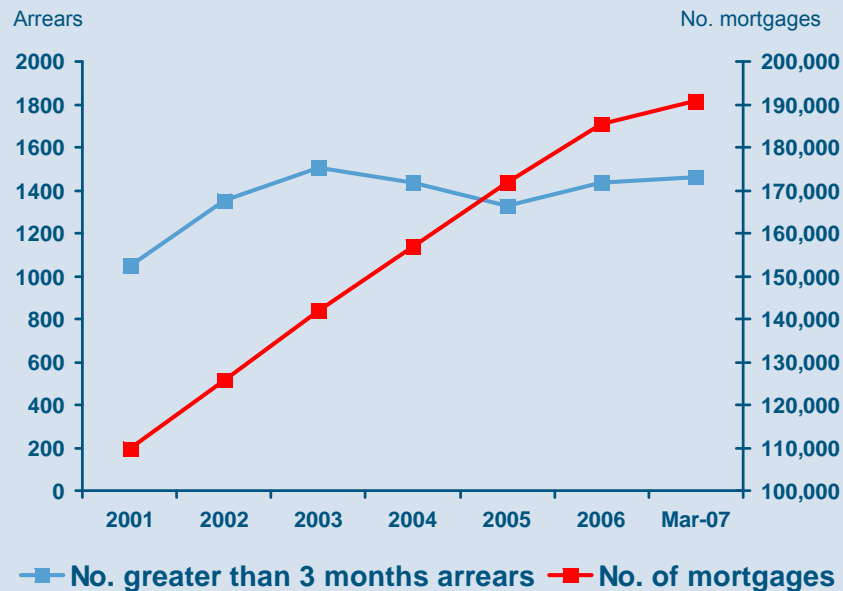
Effective mortgage margin management



- Mortgage book margin has decreased
- Declining proportion of variable rate mortgages on book
- Limited impact on back book pricing
- Strategic decision to reduce SVR

Excellent asset quality – Irish mortgages

Bank of Ireland - arrears vs. total mortgages



All figures at Sept.

Number of repossessions



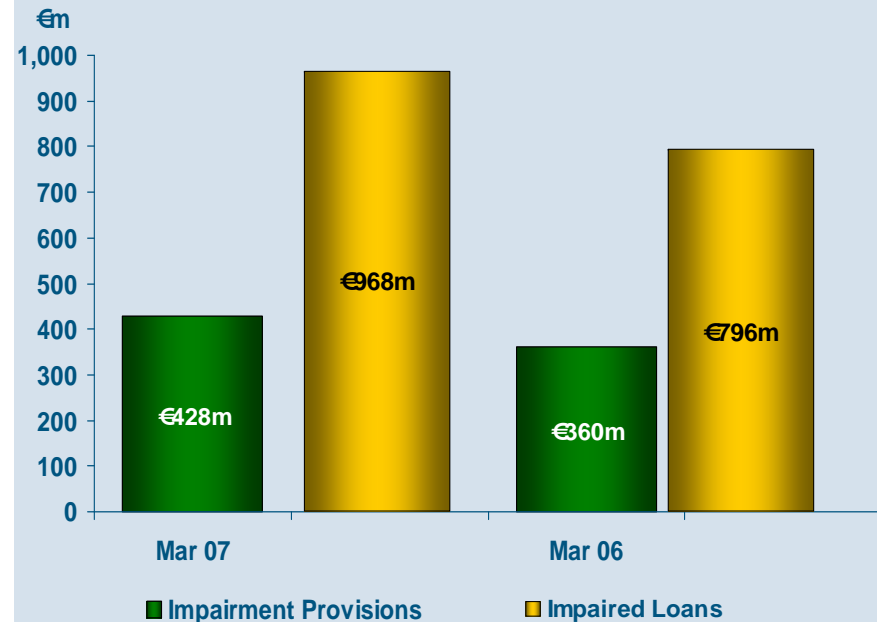
- Excellent arrears performance, notwithstanding substantial growth in mortgage accounts
- Recent successful securitisation of ICS book - €2.95bn

Asset quality – Bank of Ireland Group

Impairment losses on loans

	Mar 07 €m	Mar 06 €m
Specific	121	114
IBNR	1	10
Recoveries	<u>(19)</u>	<u>(21)</u>
Total	<u>103</u>	<u>103</u>
Annualised loan loss charge	9bps	11bps

Asset quality



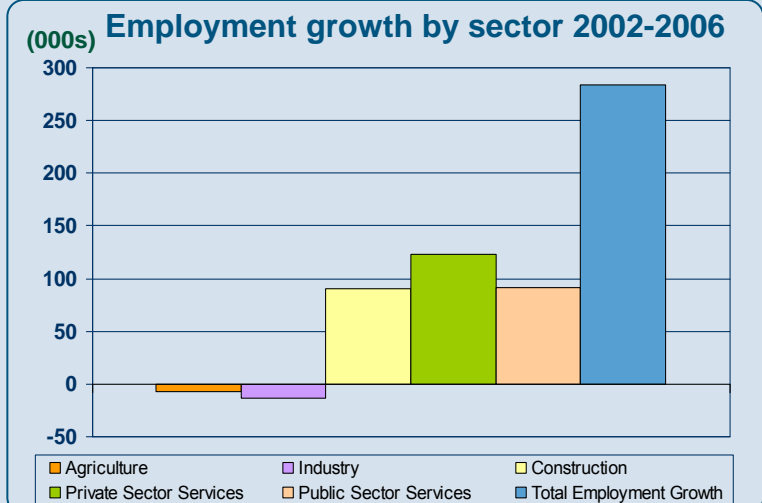
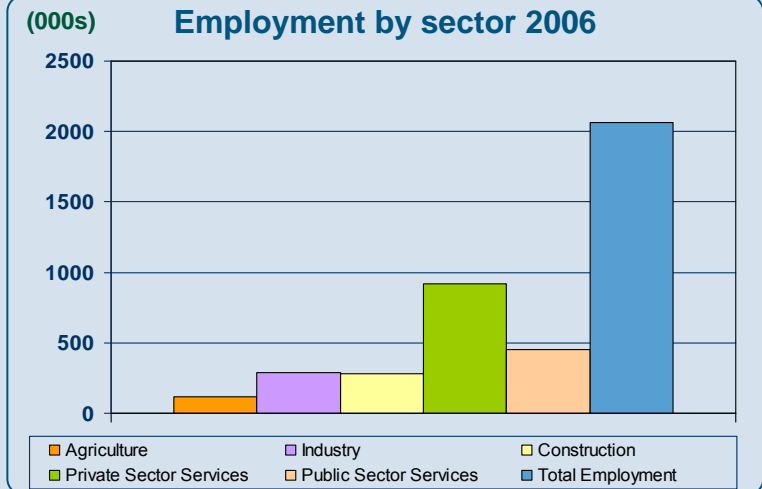
- Exceptionally benign credit environment – not sustainable
- Asset quality remains excellent across the Group
- Continuing low loan loss charge
- Some once-off provision write-backs - €26m in Corporate Banking

Economic fundamentals remain strong

Ireland

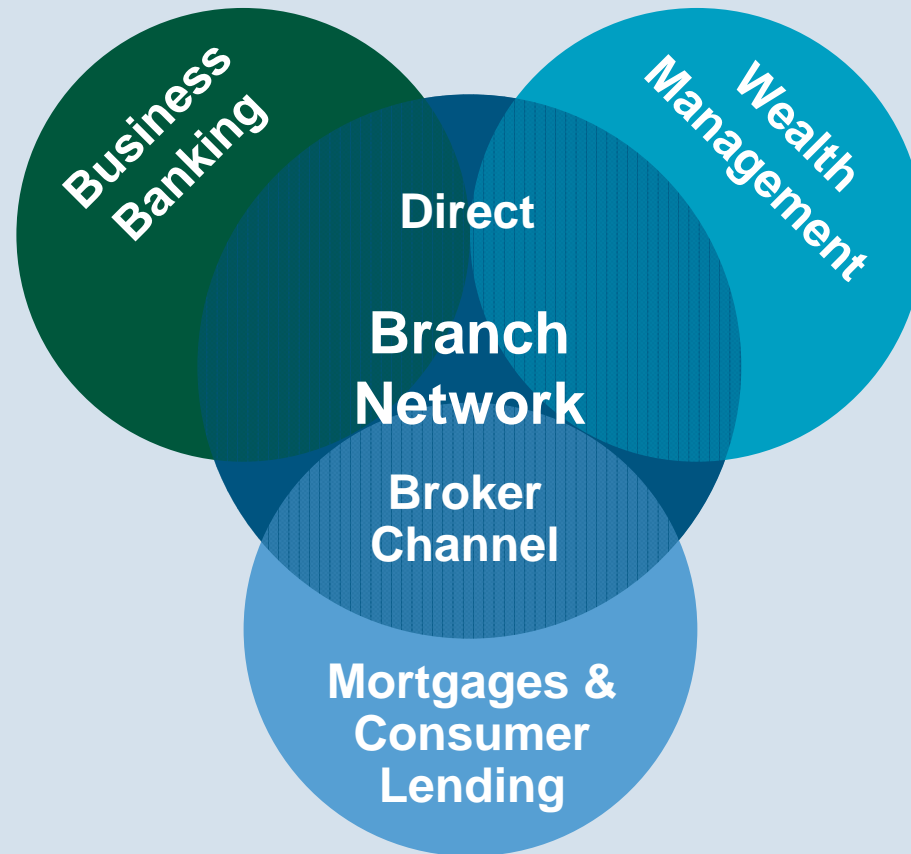
- Strong economy – fastest growth in eurozone
 - 6% (f) 2007; 5% (f) 2008
- GDP broadly spread – employment and output
- Significant job creation (+4%) and rising household incomes (+8%)
- High savings ratio (+10.5%)
- Low inflation (+2.9% HICP)
- Housing market softening as anticipated but outlook remains positive
- Positive longer-term outlook

Irish economy broadly spread



Drive growth from our leading Irish franchise

Market leading advice-based propositions



Competing from a position of strength

Strategic objective:

“To be the clear **No. 1**
in Consumer, Wealth Management
and Business Banking in Ireland”




Leverage our integrated approach:

- Leading **distribution** capability
- Broadest **product** offering
- Delivering **sales and service** excellence
- Highly **engaged** staff

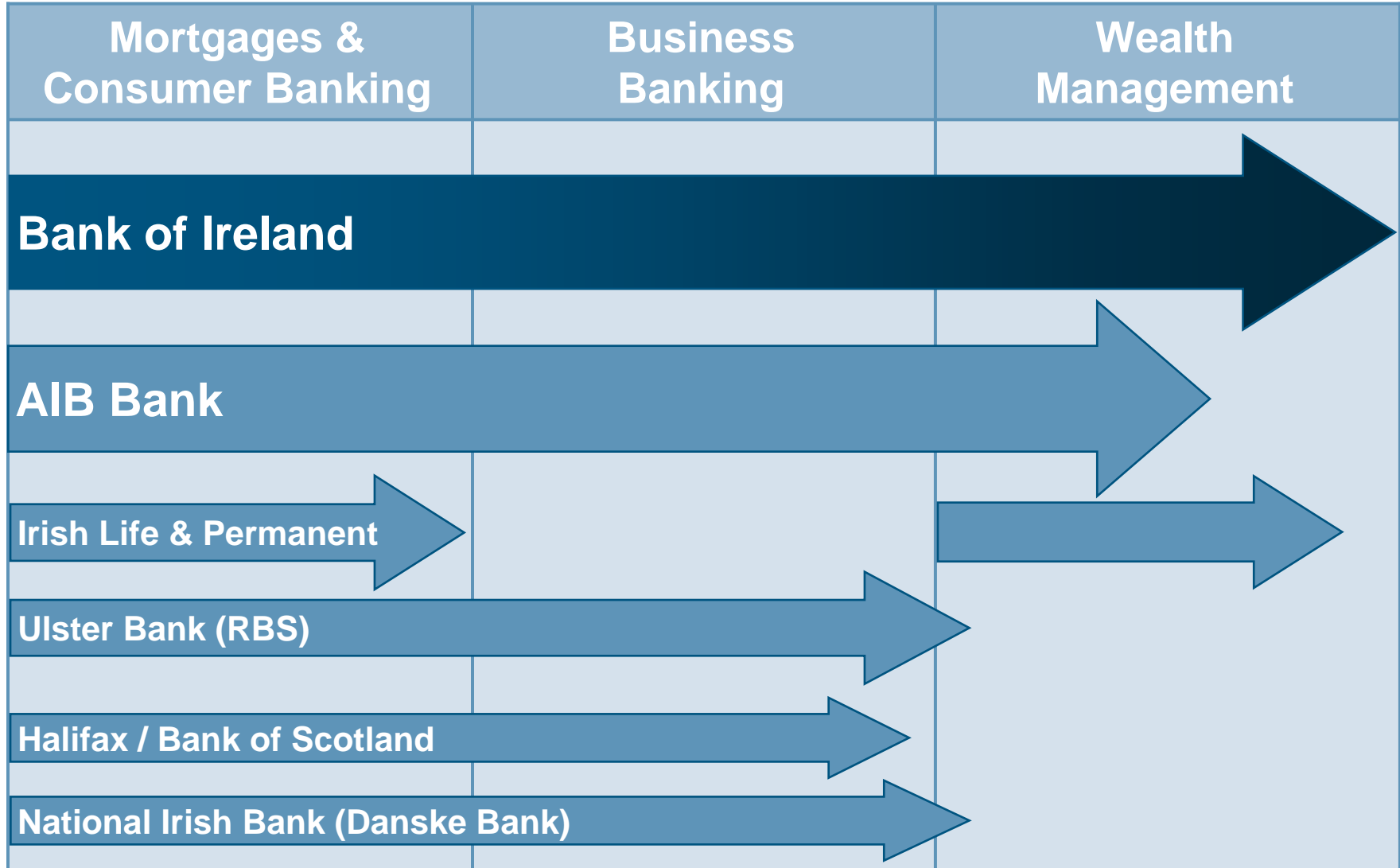
Number 1 or 2 in all major products

Product / business	Market position	Share & trend
Mortgages	No. 1	19.5% ►
Consumer Loans	No. 2	19.5% ►
Credit Card Turnover	No. 1	33% ►
SME Business Lending	No. 2	27% ▲
SME Current Accounts	No. 2	33% ▲
Life & Pensions	No. 2	26% ▲
Savings	No. 1 (Joint)	24% ▲
Private Banking	No. 1	▲

Achieving No. 1: Broadest distribution capability

	Established brands
Branch network	<p>273 Bank of Ireland branches and 8 mortgage stores</p>  <p>Bank of Ireland</p>
Intermediaries	<p>Key broker brands</p> <div style="display: flex; justify-content: space-around; align-items: center;">   </div>
Direct	<p>Direct product sales, comprehensive online and telephone banking</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;"> <p>365 online</p> <p>365 phone</p> </div> <div style="text-align: center;"> <p>365 business</p> <p>Business On Line</p> </div> </div>

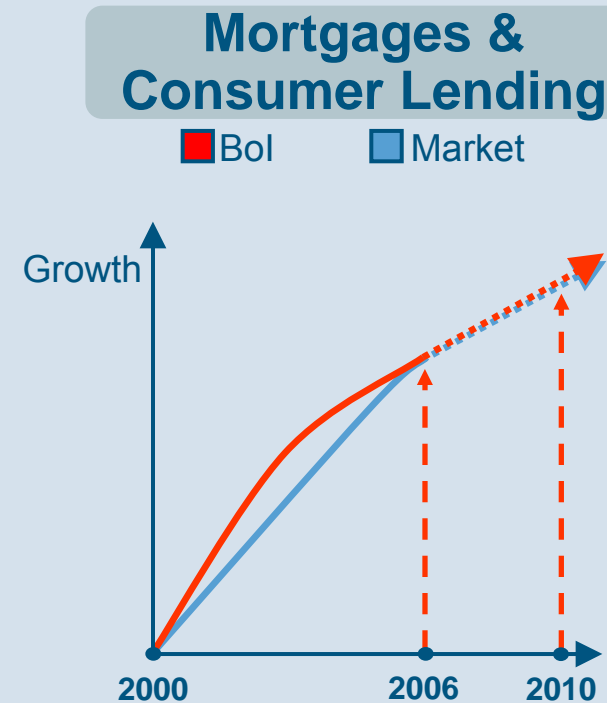
Achieving No. 1: Broadest product offering



Mortgages and consumer lending outlook

Retain leading position and grow in line with the market

- Continuing strong Irish economy
- Distribution and service unrivalled competitive strengths
- Strategic focus to continue to grow our business profitably



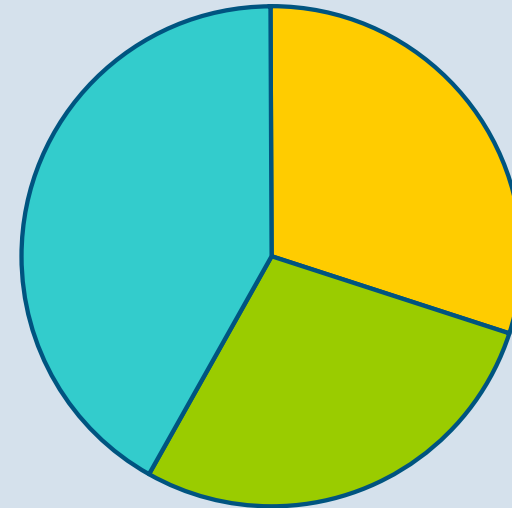
Perform in-line

Bank of Ireland Business Banking - Profile

Key dimensions

	Volume	Market* position
Customers	100,000+	2 nd
Resources	€13.6bn	Joint 1 st
Loans	€14bn**	2 nd
Asset & Debtor Finance	€3bn	1 st

Profit mix



■ Business lending
 ■ Cross-sales ***
 ■ MT / Resources

Effective relationship management driving diversified revenues

* Mori Research October 2006, Central Bank (Resources), Industry Analysis (Asset Finance)

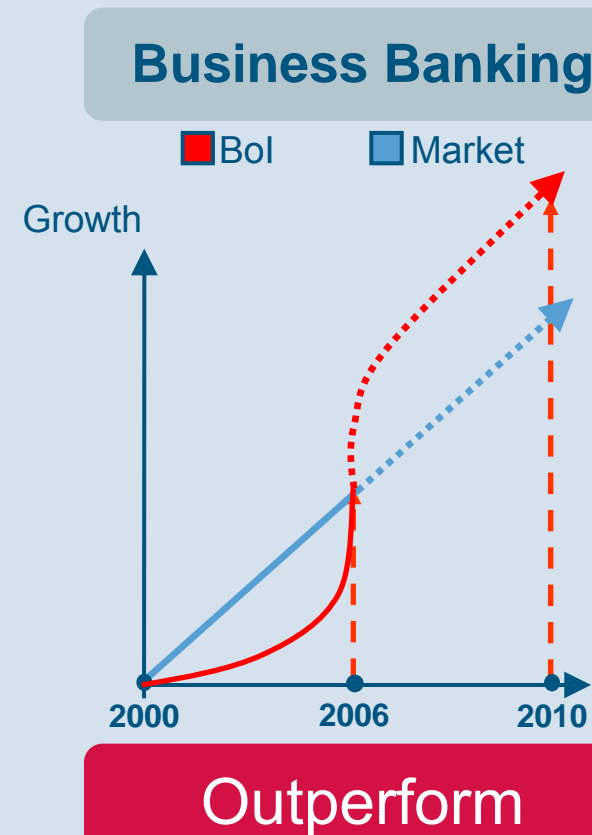
** Excludes business loans in Private Banking

*** Cross sales include Treasury and Wealth Management products

Business Banking outlook

Drive growth, outperform the market & achieve No. 1

- Outlook for SME's is positive
- Leveraging our core strengths
 - Distribution
 - Product range
 - Credit competence
 - Cross selling
- Challenging for No. 1



Significant growth in Irish wealth ...driving opportunities for Bank of Ireland

27

Pensions

- 45% of employed have no private occupational pension
- Major government priority

Protection

- 52% of population without life cover
- 76% without critical illness cover
- Continuing mortgage growth

Savings

- Strong market growth
- Savings culture embedded – 10.5% savings ratio
- Strong 'continuing to save' trend in maturing SSiAs
 - Bol Life 50%, deposit 60%

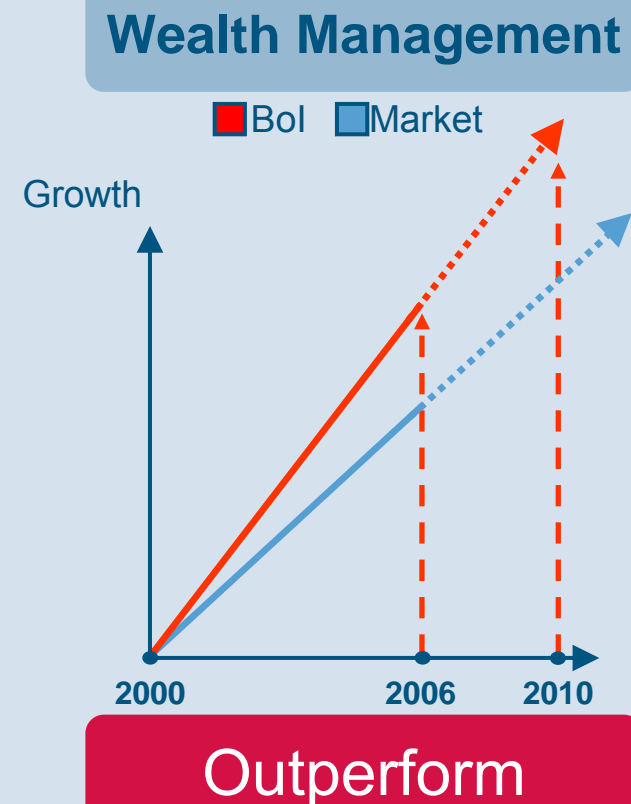
Investments

- Emergence of inherited wealth
- Predicted move to more balanced asset allocation

Wealth Management outlook

Wealth Management – strengthening our No. 1 position

- Fast growing market with significant opportunity
 - Strong economy
 - Embedded savings culture
 - Increasing inherited wealth
- Bank of Ireland is strongly positioned
- Leading Bancassurer and Private Bank
- Strategic focus to invest and drive significant further growth



The opportunity for profit growth

**Mortgages &
Consumer Lending**

Wealth Management

Business Banking

Perform in-line

Outperform

Outperform

Retail Ireland - confident of continued success



Questions & Answers



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