

Growth opportunities post crisis

Merrill Lynch Banking and Insurance conference

London 7 October 2008

Brian Goggin
Chief Executive

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.

Today's presentation

- Bank of Ireland overview
- Strategy and priorities
- Opportunities post crisis
- Conclusion

Please note – all financial data throughout this presentation relates to 31 March 2008 unless otherwise indicated

Business overview

- Bank of Ireland is a traditional relationship-driven retail and commercial bank
 - conservative business philosophy
 - controlled and selective approach to growth in main markets
 - prudent approach to credit risk
 - diversified business portfolio and income streams
 - deep management experience across market cycles
- Managing through period of significant challenge

Bank of Ireland Group

Brian Goggin

Retail Financial Services Ireland

Richie Boucher

- Consumer Banking
- Business Banking
- Wealth Management

Capital Markets

Denis Donovan

- Corporate Banking
- Global Markets – treasury operations

UK Financial Services

Des Crowley

- Business Banking
- Mortgages
- Consumer Financial Services

% PBT by Division

- 42% RFSI (incl. Life 6%)
- 25% UK Financial Services
- 33% Capital Markets

% PBT by Geography

- 56% Ireland
- 34% UK
- 10% Rest of world

Shareholder distribution

- 16% Ireland
- 12% UK
- 21% Europe & RoW
- 19% US
- 32% Retail

Strengthen our funding and capital ratios

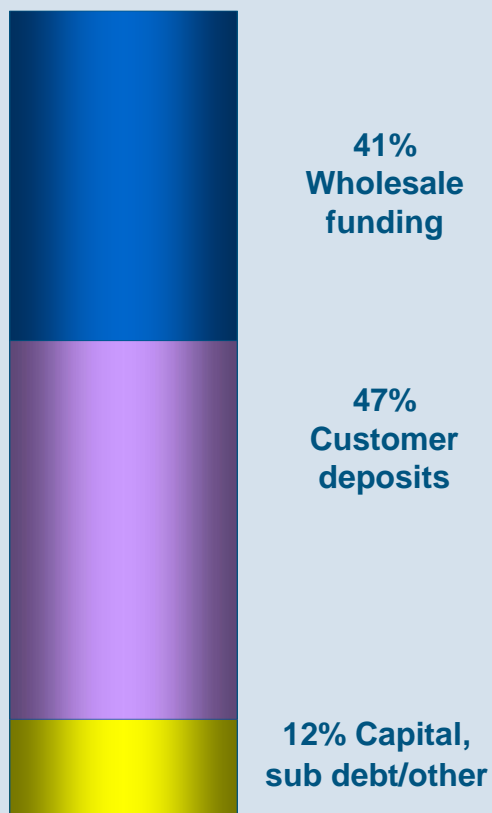
Actively and prudently manage our credit risk

Rigorously manage our cost base

Bank of Ireland funding strategy - backdrop

- Uncertainty and volatility setting tone for international debt markets
- Bank of Ireland funding strategy solid and conservative
- Key market differentiators for Bank of Ireland
 - Strongly positioned
 - Well capitalised
 - Conservative asset profile
 - Robust contingency funding plans and infrastructure
- Irish Government guarantee providing support

March 2008



Total assets €185bn*

- Prudent approach to asset and liability management
- Growth in assets subject to:
 - Increase in customer deposits
 - Availability and quality of term wholesale funding (maturity >1 year)
 - Maintenance of prudent liquidity buffers and capital ratios

* Excludes Life funds held on behalf of policyholders: Mar 08 €12.8bn

Deposit strategy & profile

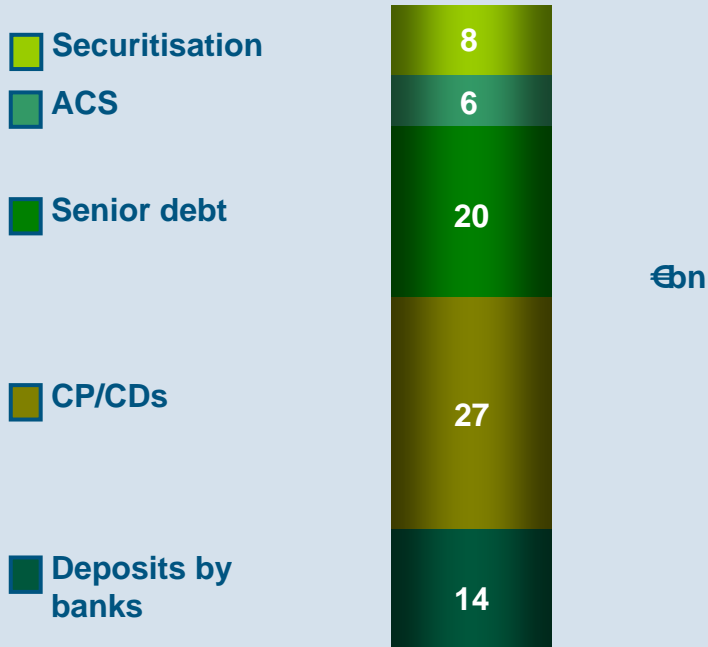
Divisional Profile

Retail Financial Services Ireland (RFSI)	€33bn	38%
Capital Markets	€32bn	37%
UK Financial Services (UKFS)	€21bn	25%
Total	€86bn	100%

- Deposit gathering key strategic focus
- Key enablers:
 - Broad distribution capability
 - Competitive pricing
- RFSI – leading franchise
 - 276 branches
 - 1.3m customers - multiple accounts
 - Average balance €14K
- UKFS – Business Banking (€17bn)
 - Relationship driven through business bankers
- UKFS – Post Office JV (€4bn)
 - Extensive branch network
 - 329k customers, average balance €13k
- Capital Markets – relationship driven
 - High quality customer franchise
 - International distribution capability (UK & US)

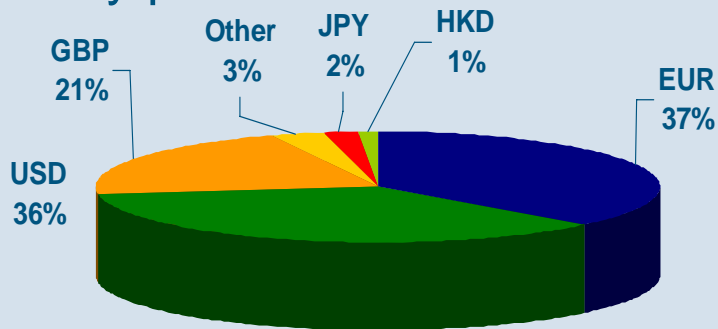
Wholesale funding strategy & profile

Total €75 bn



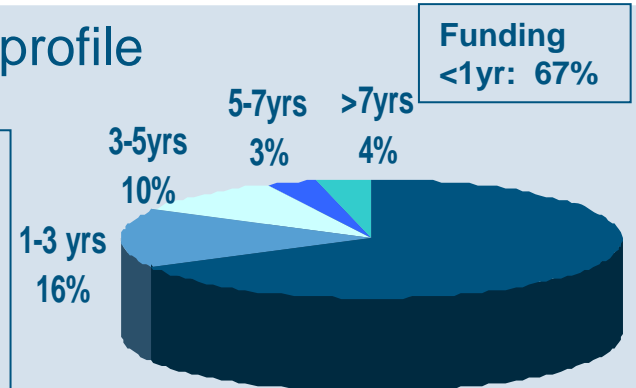
- Robust wholesale funding strategy – diversified across programmes (11), geographies, investor types & maturity
- Operate within robust Irish regulatory liquidity regime
 - Liquid asset coverage for net outflows: 100% for 0-8 days; 90% for >8 days to one month
 - Significant liquidity buffer maintained in excess of Regulatory requirements
- Strong contingency liquidity management strategy
 - Circa €40 billion available collateral

Currency profile



Maturity profile

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



Strong funding position

Strong funding metrics

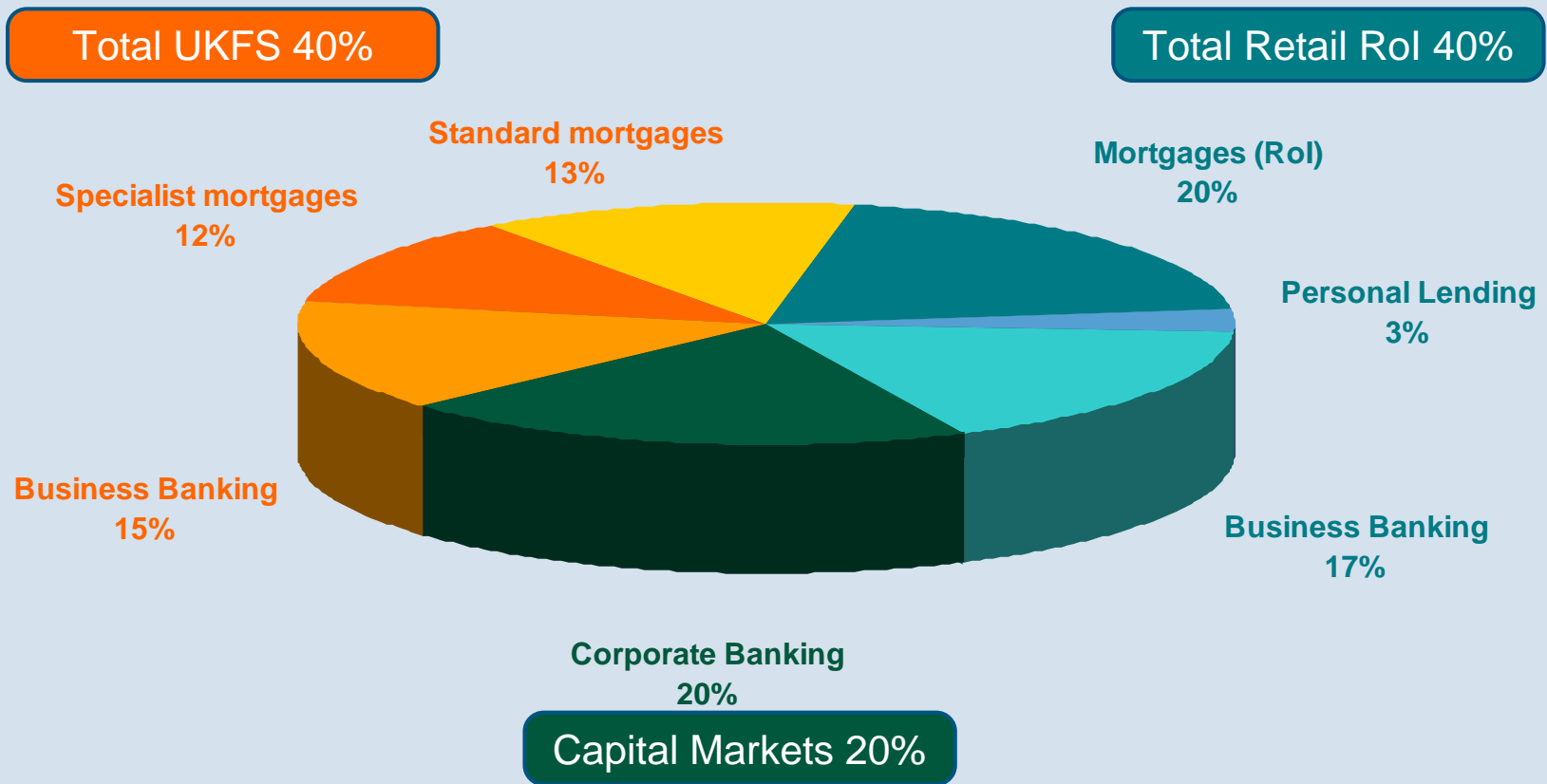
	March 07	Sept 07	March 08
% customer loans funded by customer accounts & term funding (funding with remaining maturity >1yr)	84%	80%	82%
Loan to deposit ratio	173%	174%	157%
Customer deposits as % of balance sheet	41%	41%	47%
Wholesale funding as % of balance sheet	46%	46%	41%

Key funding initiatives in 6 months ending 30 September 2008

- Strong deposit growth + 20%
- Lending growth moderating – circa 8%
- Raised over €5 billion in term funding – weighted cost c.55 basis points over 3-month euribor
- Maintaining maturity profile – c.30% wholesale funding with maturity greater than 1 year
- Maintaining circa €40 billion available collateral for contingent liquidity

Profile of loans & advances to customers - €136bn (March 2008)

■ UKFS £44bn/€55bn ■ Corporate Banking €27bn ■ Retail Rol €54bn



Outlook for asset quality

Rapid deterioration in economic conditions, weaker consumer sentiment and a further decline in property and construction sectors resulting in our expectation for a higher level of impairment

- Asset quality in mortgage books in Ireland and the UK proving resilient
 - Investment property lending portfolio continues to perform well
- Development property lending being impacted by current market conditions
 - Asset quality remains strong across remaining portfolios

Guidance

- Expect mid 40s basis points impairment charge for 12 months ending 31 March 2009
- Expect impairment charge in a range of 60bps to 90bps for year to 31 March 2010

Strengthening our capital base

- Actively managing capital ratios
- Conservatively positioning Group in more challenging trading environment
- Taking early action to improve core equity tier 1 ratio within our stated range of 5.5% to 6.5%
 - Reducing full year dividend by 50%
 - Control risk-weighted asset growth while protecting core franchises

Capital ratio targets

- Target ranges:
 - Equity tier 1 5.5% to 6.5%
 - Tier 1 capital 7.5% to 8.5%
 - Total capital 10.5% to 11%

Capital* – Basel II

March 08

Equity tier 1 capital	5.7%
Tier 1 capital	8.1%
Total capital	11.1%
RWA (€bn)	117
Total assets (€bn)	197

* All ratios are after deducting dividend: ratios would be 0.3% higher pre dividend

Opportunities post crisis

- Banking landscape is changing
- Banking models are adapting
 - Originate and hold
 - Funding through customer deposits and secured wholesale funding
 - Pricing to reward risk and capital/funding usage
- Strong banks will likely be relationship driven with strong customer franchises and robust risk cultures
- Bank of Ireland is well positioned
 - Core philosophy of prudence and conservatism
 - Traditional relationship driven retail and commercial bank
 - Proven ability to drive strong customer deposit growth – distribution is key

Outlook

- Trading conditions have become increasingly difficult
- Expect a lower level of profit in the current financial year
- Strategic priorities:
 - Strengthen capital and funding ratios
 - Actively and prudently manage credit risk
 - Rigorously manage cost base
- Bank of Ireland is well positioned

Questions & Answers

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