

Strategy 2010: Thoughts on the next 5 years

Brian Goggin
Bank of Ireland Group

Merrill Lynch Conference
October 4th 2005



- Bank of Ireland today
- Our view of a changing world
- Bank of Ireland 2010

Bank of Ireland Today



PBT
€1,333m

ROE
22.4%

**Loan Loss
Charge**
11bps

**Alternative
EPS**
114.2c

- **10** years total share holder return 23% pa
 - **11** consecutive years with loan loss charge <20bps
 - **12** consecutive years of ROE \geq 20%
 - **13** consecutive years of dividend growth
 - **14** consecutive years of profit growth

Bank of Ireland Group



- Our activities**
- Retail Banking
 - Business Banking
 - Corporate Banking
 - Wealth Management
 - Life & Pensions
 - Asset Management
 - Treasury

- Our profits**
- 56% Ireland
 - 28% UK
 - 16% Rest of World

- Our markets**
- Ireland, the UK, North America, France, Germany, Australia, Japan

- Our Shareholders**
- 14% UK
 - 18% Ireland
 - 20% Europe & Rest of World
 - 21% US
 - 27% Retail

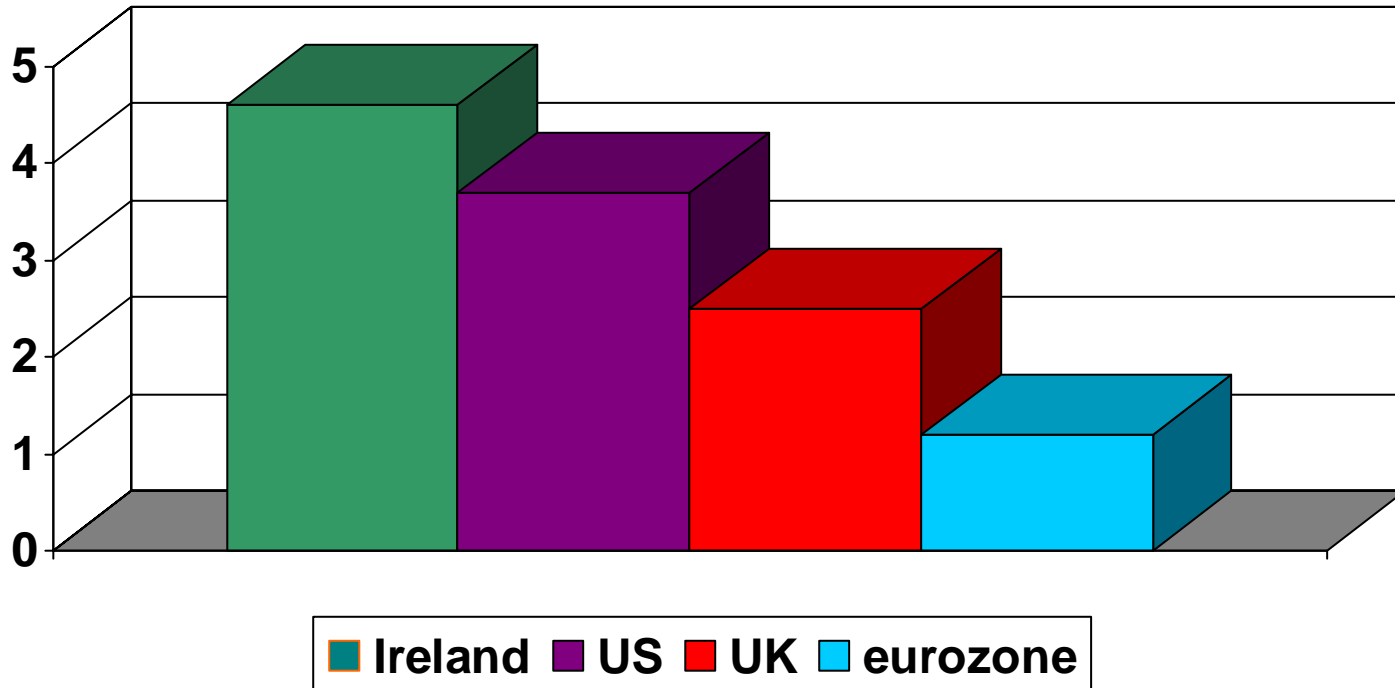
Ireland:

The most successful economy in Europe over past 10 years:

- Fastest growing economy in Europe
 - 5% GDP growth forecast for 2005
 - Low inflation
 - Low interest rates
 - Numbers employed 1.9m ...the highest ever
 - 'Full' employmentbut employment still growing,.... immigration and increased participation
 - Strong demographics
- 

Concentrating on three of the best economies...⁷

GDP Growth (annual average 2003-2005)



Our Vision

“To be the number one bank in Ireland with dynamic businesses growing internationally”

Our Strategy

Maximise returns from our leading position in Ireland

Substantially grow our businesses in the UK

Grow our portfolio of niche, skill-based businesses internationally

Our View of a Changing World



- Drivers are:
 - Globalisation
 - Economic growth
 - Demographics
 - Technology
 - Regulation – ‘de’ and ‘re’
 - Competition
 - Consolidation
- Increasing Pace

Bank of Ireland 2010?



Desired by Investors:

- Consistently excellent results
- Track record of growth
- Deeply embedded capacity for change

Respected by Customers:

- Outstanding quality of financial advice
- Competitive products
- Superior service
- Leading market shares

“To be the number one bank in Ireland with dynamic businesses growing internationally”

Admired by Communities:

- Integrity and regulatory compliance
- Engaged corporate citizenship

Energised by Employees:

- They identify with our vision and with our values and culture
- They are proud, committed and engaged

- Efficiency & Flexibility
- Focus & Clarity
- Skill & Capability
- Execution

How Will These Forces Apply to Bank of Ireland?



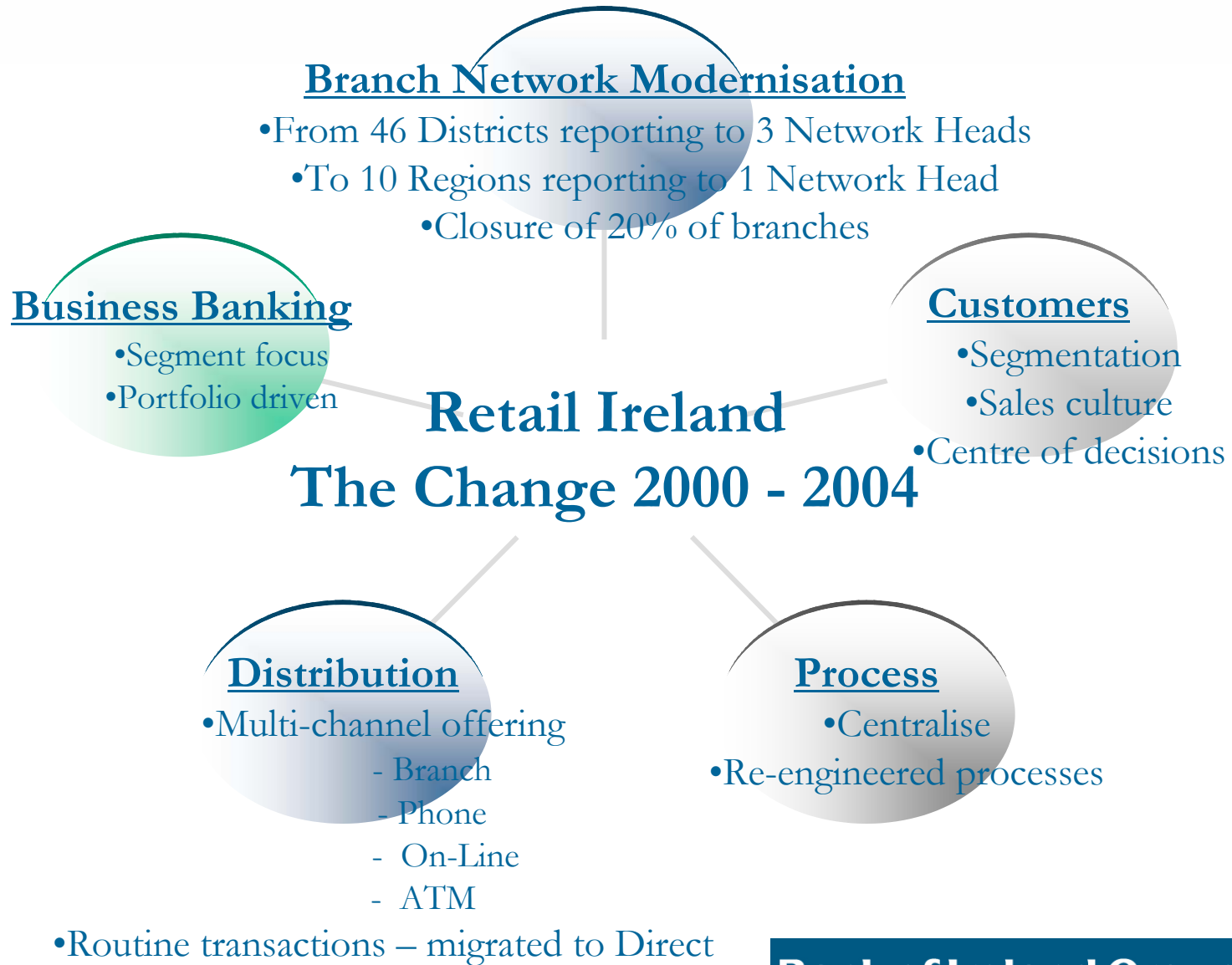
Our Strategy

Maximise returns from our leading position in Ireland

Substantially grow our businesses in the UK

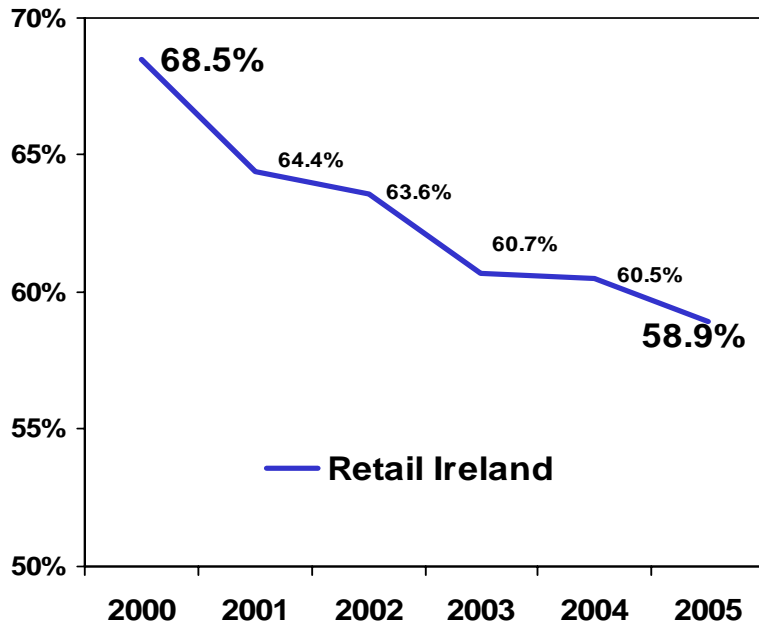
Grow our portfolio of niche, skill-based businesses internationally





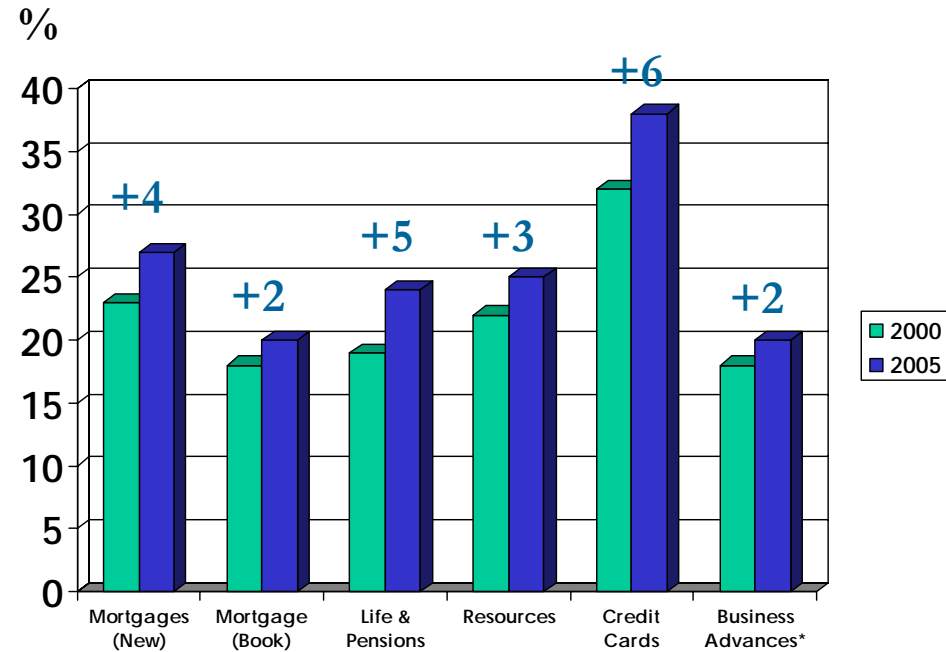
Significant Reduction in Cost Income Ratio

Cost Income Ratio- Retail Ireland



Significant Gains in Market Share

Market Share in Key Segments



*From 2003-2005

	2000	2005	Change
FTE*	9,329	8,810	5.6%↓
PBT/FTE	€36.0k	€70.9k	14.5% p.a.↑

* Full Time Equivalent



“ ... implementation of our strategy is being significantly stepped up”

04/05

05/06

06/07

07/08

08/09



'Get Fit'

'Breakout'

Cost & Capability:

Competitive Lower Cost Operating Model

Customer:

Achieve Distinctive Competence in Customer Focus

Growth:

Mobilise for and Accelerate Growth

People:

Strengthen Human Capital

Reputation:

Leverage Group Reputation

Our Strategy

Maximise returns from our leading position in Ireland

Substantially grow our businesses in the UK

Grow our portfolio of niche, skill-based businesses internationally

Substantially grow our businesses in the UK

- **Dispose of non-core activities**
 - Chase de Vere and Bristol & West Branches
- **Integrate NI & GB Business Banking activities**
 - Transfer highly success business model from NI to GB
- **Focus on 3 key business segments**
 - Mortgages
 - Business Banking
 - Consumer Financial Services (Joint venture with UK Post Office)

Substantially grow our businesses in the UK

- **The Mortgage Business**
 - Well positioned in higher margin non-standard niche
 - Underlying growth positive
 - Solid track record on credit management
- **Business Banking**
 - Solid fundamentals
 - Positive outlook for SME sector
 - Growth opportunities for service led provider
- **Consumer Financial Services**
 - Extensive distribution network
 - Ability to leverage Bank of Ireland & infrastructure capability
 - Long term development potential

Our Strategy

Maximise returns from our leading position in Ireland

Substantially grow our businesses in the UK

Grow our portfolio of niche, skill-based businesses internationally

Bank of Ireland is building our skills based businesses
and establishing global foot-print

- Asset Management
- Global Markets
- Corporate Banking

Grow our portfolio of niche, skill-based businesses internationally

A focus on Corporate Banking – a growing skills business

- **Grow international niche businesses in specialist lending areas**
 - Property, Project Finance, Leveraged Acquisition Finance, Asset Based Lending, Media, Maritime & Telemedia, Investment Grade Lending
- **40% increase in specialist skills in last 18 months**
 - 375 staff – grown in excess of 100 new recruits in last 18months
 - Acquired Burdale, recruited the UKs leading Media Team, opened office in US, Paris
- **Building reputation**
 - Established reputation in international markets - participation to Lead arranger & underwriting roles
 - Building a diversified portfolio of substantial deals
 - Vancouver Airport Rail link
 - Arsenal FC Stadium
 - UTV acquisition of The Wireless Group

- Strategy into action
- Building on a position of strength
- Fit to compete and grow
- Growth without compromise on quality or risk

Desired by Investors:

- Consistently excellent results
- Track record of growth
- Deeply embedded capacity for change

Respected by Customers:

- Outstanding quality of financial advice
- Competitive products
- Superior service
- Leading market shares

“To be the number one bank in Ireland with dynamic businesses growing internationally”

Admired by Communities:

- Integrity and regulatory compliance
- Engaged corporate citizenship

Energised by Employees:

- They identify with our vision and with our values and culture
- They are proud, committed and engaged

For Further Information

Please Contact:

Geraldine Deighan

Niamh O'Reilly

Group Investor Relations

Tel: +353 1 604 3501

Fax: + 353 1 661 5105

Email: investor.relations@boimail.com

Presentation is available on our website: www.bankofireland.ie

