



# Irish Banks – what are you buying?

**Morgan Stanley**  
**European Banks & Financials Conference**  
London  
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Group Chief Executive

# Forward Looking Statement

This document contains certain forward-looking statements as defined in the US Private Securities Litigation Reform Act of 1995 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. 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.

# Bank of Ireland

## Bank of Ireland Group

### Retail Financial Services Ireland

*Richie Boucher*

- Mortgages
- Personal Banking
- Business Banking
- Wealth Management

### UK Financial Services

*Des Crowley*

- Mortgages
- Business Banking
- Consumer Financial Services

### Capital Markets

*Denis Donovan*

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

#### % PBT by division

<b>RFSI</b>	<b>44%</b>
<b>UKFS</b>	<b>24%</b>
<b>Capital Markets</b>	<b>32%</b>

#### % PBT by geography

<b>Ireland</b>	<b>60%</b>
<b>UK</b>	<b>25%</b>
<b>Rest of World</b>	<b>15%</b>

#### Shareholder base

<b>Ireland</b>	<b>18%</b>
<b>Retail</b>	<b>27%</b>
<b>UK</b>	<b>15%</b>
<b>US</b>	<b>20%</b>
<b>Europe/Rest of World</b>	<b>20%</b>



# Our vision remains

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

# Maximising returns from leading position in Ireland

RFSI

Capitalising on broadest 'footprint' in the Irish market

“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 **service** excellence
- Highly **engaged** staff

# Substantially grow our businesses in the UK

UKFS

Restructured, refocused and delivering

## Business Banking

- Focus on SME and Mid Corporate
- Market niches - healthcare, leisure, professional services and property
- 11 business hubs
- Skilled relationship bankers delivering integrated service

## Mortgages

- Specialist provider
- Broker distribution
- Differentiate on service

## Consumer Financial Services

- Joint ventures with UK Post Office
  - First Rate Exchange Services
  - Post Office Financial Services
- Key differentiators
  - Distribution
  - Trusted brand
  - Sales effectiveness

# Capital Markets – growing geographic footprint



# Grow niche skill-based businesses internationally

Capital Markets

Building on experience and investing for growth

Corporate Banking	Global Markets	Asset Management
<ul style="list-style-type: none"> <li>■ Full banking services in Ireland</li> <li>■ Provide financing and related services in mid-market niche areas globally</li> <li>■ Competitive strengths                             <ul style="list-style-type: none"> <li>– Relationship management</li> <li>– Access to deal flow</li> <li>– Structuring, arranging and execution skills</li> <li>– Cross selling capability</li> <li>– Credit assessment skills</li> <li>– Underwriting and syndication skills</li> <li>– Responsiveness</li> </ul> </li> <li>■ Offices in Ireland, UK, US, France and Germany</li> </ul>	<ul style="list-style-type: none"> <li>■ Primarily a customer business</li> <li>■ Focus on relationship management and product innovation</li> <li>■ Delivering tailored risk management solutions</li> <li>■ Broadening geographic reach and driving international growth</li> <li>■ Offices in Ireland, UK, Germany and US</li> </ul>	<ul style="list-style-type: none"> <li>■ Provide skill-based fund and middle office administration services in Ireland (<i>Bank of Ireland Securities Services</i>)</li> <li>■ Asset management                             <ul style="list-style-type: none"> <li>– Committed to rebuilding competitive position</li> <li>– Selectively broadened product range</li> <li>– Drive growth through international distribution platform</li> </ul> </li> </ul>

# Consistent delivery

	6 mths to Sep 05 vs Sep 04	12 mths to Mar 06 vs Mar 05	6 mths to Sep 06 vs Sep 05
<b>Underlying Profit Before Tax</b>	+8%	+16%	+28%
<b>Underlying Earnings Per Share</b>	+10%	+16%	+27%
<b>Annualised Impairment Losses</b>	11bps	11bps	9bps
<b>Dividend</b>	+10%	+15%	+15%
<b>Return on Equity</b>	25%	24%	25%
<b>Cost Income Ratio</b>	57%	57%	53%

Note: Underlying excludes the impact of non-core items: gain on disposal of business assets; gross-up for policyholder tax in the Life business; hedge ineffectiveness on transition to IFRS and restructuring programme.

# Going forward

- Positive economic fundamentals
- Maintain leading position in Ireland
- Drive further growth from our established international platforms in UK, mainland Europe and US

**Bank of Ireland Group**



**Presentation available on our website at: [www.boi.ie/investor](http://www.boi.ie/investor)**

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