Bank of Ireland Group

Bank of Ireland - Debt Investor Presentation

For the 6 months ended 30 September 2008

Forward-looking Statement

Bank of Ireland Group

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 Bank of Ireland Group's (the Group) 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 UK economies and the performance and volatility of the 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 at the date they are made. The 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 filed or submitted or may make in documents it has filed or submitted or may file or submit to the US Securities and Exchange Commission.

Contents

Bank of Ireland Group overview

Bank of Ireland Group

- A diversified financial services group established in 1783
- Total assets: €192bn*
- Strong funding and contingent liquidity strategy
- Group priorities
  - Strengthen capital ratios
  - Improve key funding metrics
  - Actively and prudently manage credit risk
  - Rigorously manage cost base

Credit ratings

Rating Agencies	Long Term	Outlook	Short Term	Government Guaranteed Debt Securities
Fitch	AA-	Rating Watch Negative	F1+	N/A
Moody's	Aa2	Review for Downgrade	P-1	Aaa/Stable/P -1
Standard & Poor's	A+	Negative Watch	A-1	AAA/Stable/A-1+
DBRS	AA	Stable	R-1 (high)	AAA/Stable/R-1 (high)

BoI credit ratings as at 28 November 2008

* Note: Total assets excluding BoI Life policyholder assets

Bank of Ireland Group overview

Bank of Ireland Group

- The landscape for financial services has changed dramatically
  - Considerable turbulence in financial markets
  - Extreme lack of liquidity in wholesale funding markets – some improvement in recent weeks
  - Widespread intervention by governments and financial authorities
- Sharp slowdown in levels of economic activity - Eurozone, UK and US heading into recession
- Bank of Ireland managing safely and effectively through this period of significant volatility.
- Key priorities remain:

Strengthen capital ratios

- Controlling risk-weighted asset growth
- Suspending dividend payments to ordinary stockholders
- Earnings retention
- Selective balance sheet de-leverage with some non-core asset disposals

Improve key funding metrics

- Reduce quantum of wholesale funding, and extend maturity profile as markets re-open
- Drive deposit growth across Divisions and geographies

Actively and prudently manage credit risk

- Re-allocation of credit management resources – centralised management of portfolios at risk
- Early identification and intervention by experienced team

Rigorously manage cost base

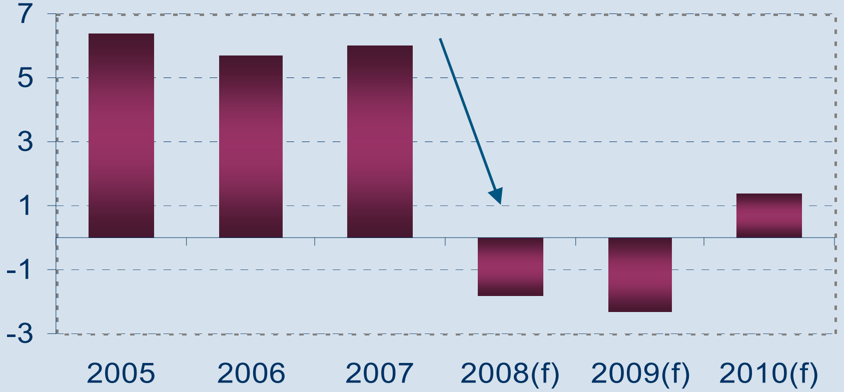
- Continue to drive immediate cost savings in current year
- Align costs to an environment of lower levels of activity and revenue

Contents

Bank of Ireland Group

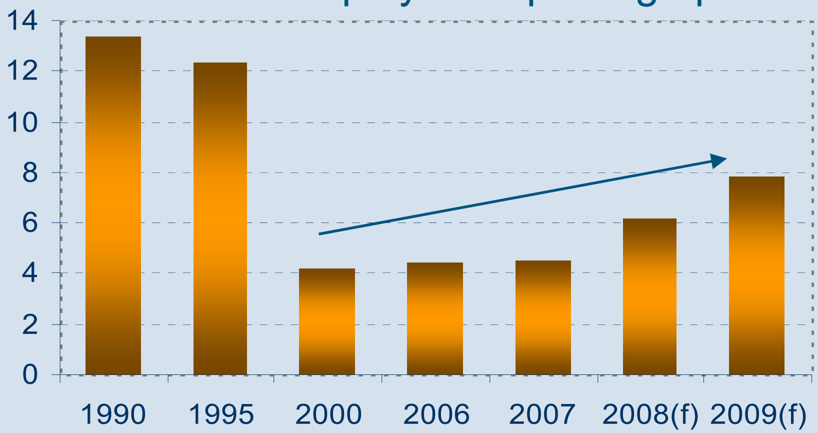
Irish economy contracting…

Irish GDP: Irish economy contracting



Source: CSO and Reuters. Graph shows Irish GDP (annual % growth). 2008, 2009 and 2010 figures are Reuters market consensus forecasts.

Irish unemployment picking up



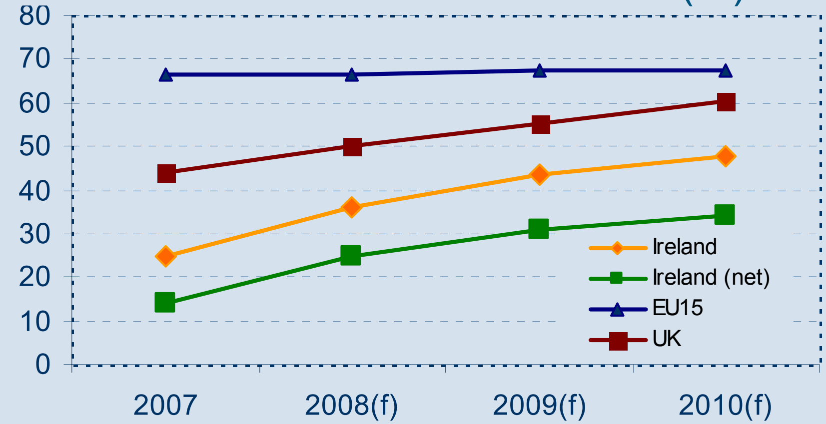
Source: CSO. Graph shows Irish unemployment rate (%). 2008 and 2009 figures are Reuters market consensus forecasts.

- Irish economy contracting in the face of three shocks;
  - Housing market correction
  - Global credit crunch
  - Oil spike in first half of 2008, which kept inflation high and prevented monetary easing
- GDP is likely to fall again in 2009 due to further falls in construction spending and increasing pressure on household incomes
- Higher unemployment likely to weigh further on consumer confidence – consumer spending expected to fall
- Irish exports continue to offer some support; Irish merchandise exports dominated by chemicals and pharmaceuticals, so far proving to be resilient to external influences
- Lower EU & Irish inflation and further easing of ECB interest rates would help to improve economic activity and restore consumer confidence

…but strong Government finances

- Irish Government finances have been very healthy in recent years
  - The General Government Budget recorded an average surplus of 1.6% of GDP over the last 10 years vs. EU average of -2.1%
- Ireland's 2008 General Government deficit is projected to be - €10.4bn or 5.5% of GDP
  - A large portion of the projected deficit is to fund capital spending, which remains high in relative terms at 4.5% of GDP for 2009
- Ireland's Government debt / GDP ratio is exceptionally strong in comparison to its European and global peers. This comparison still holds even after accounting for expected issuance volumes in the coming years
- Irish Government debt / GDP, which was 24.8% in 2007, is forecast to increase to 36% for 2008 and 43% for 2009 – compared to EU average of 66%
  - Net government debt / GDP (taking into account assets held by the National Pension Reserve Fund) is forecast at 25% in 2008, 31% in 2009 and 34% in 2010

Government debt / GDP ratio (%)



Source: Irish Department of Finance, EU. Graph shows the Government debt / GDP ratios including forecasts for Ireland, UK and EU 15.

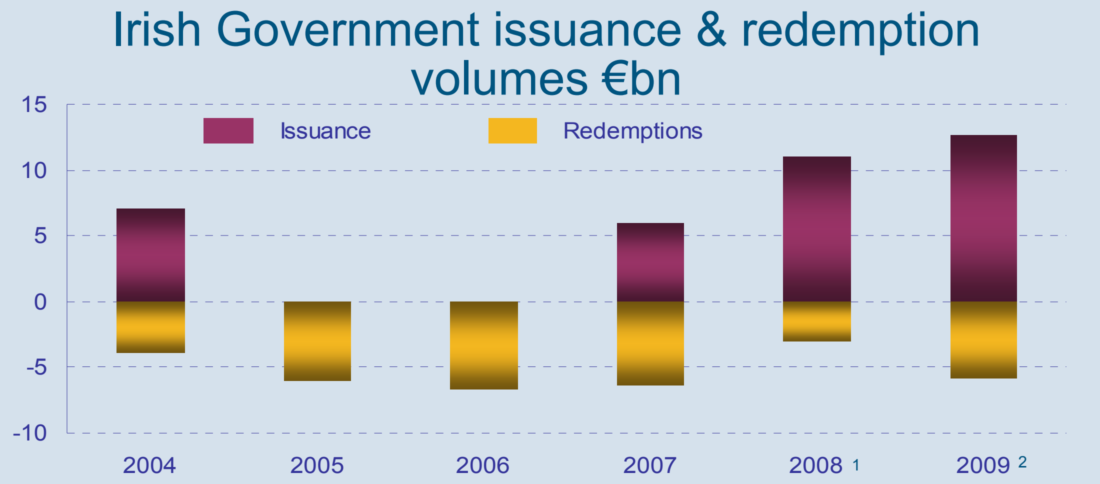
Irish Budget surplus/deficit (% of GDP)

	Current	Capital
2005	3.9	-4.2
2006	5.2	-3.9
2007	3.7	-4.5
2008	-1	-5.1
2009(f)	-2.5	-4.6

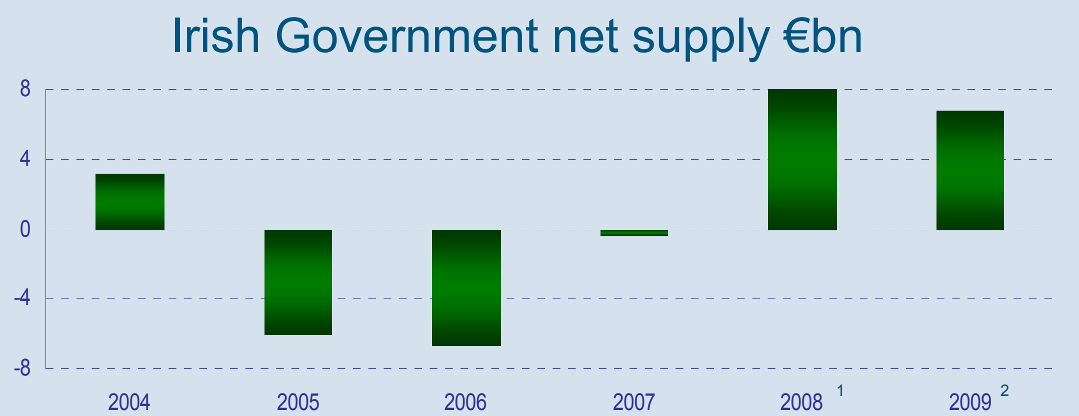
Source: Irish Department of Finance. Graph shows the Irish Government Budget surplus /deficit across both the Current and Capital budgets.

Irish Government supply

Bank of Ireland Group



Source Bloomberg, NTMA



Source Bloomberg, NTMA

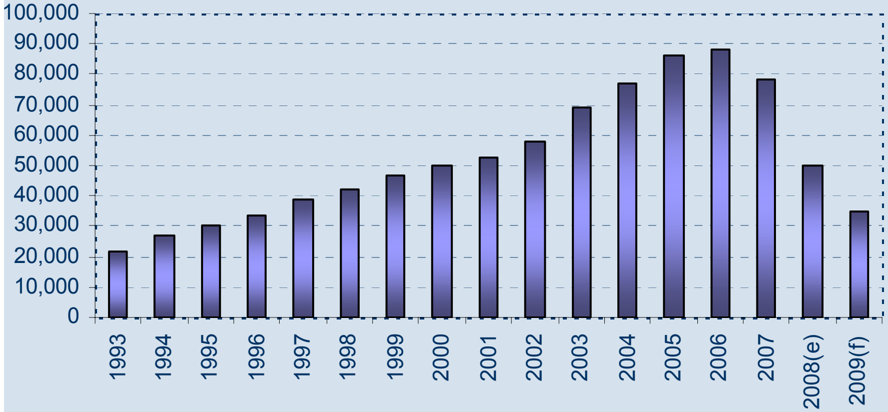
- The NTMA have forecasted Irish debt issuance of €18.4bn in 2009
- On a gross basis, this represents an increase of €2bn versus 2008
- Due to a redemption of €5.8bn in April 09, this would represent a net decrease of €1bn versus 2008

Notes
1. Assumes no further issuance in 2008
2. The NTMA have forecasted a gross debt issuance requirement of € 18.4 bn in 2009

Correction in Irish housing market

Bank of Ireland Group

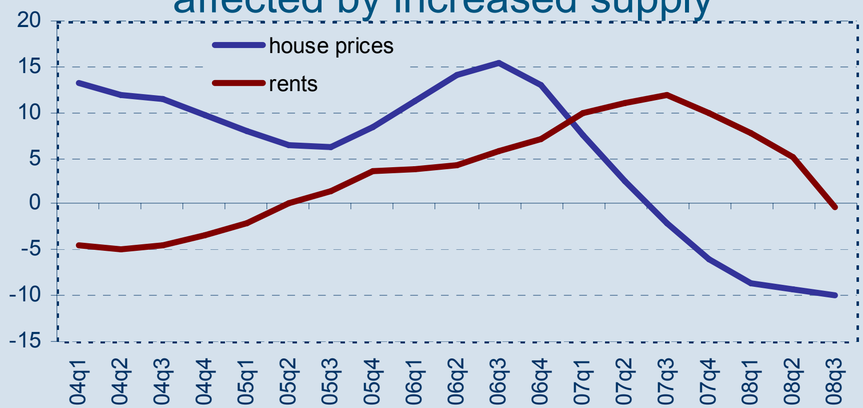
Falling house completions



Source: Department of the Environment and Bank of Ireland Economic Research Unit. Graph shows Irish house completions from 1990 to 2007, with expected and forecast numbers for 2008 & 2009.

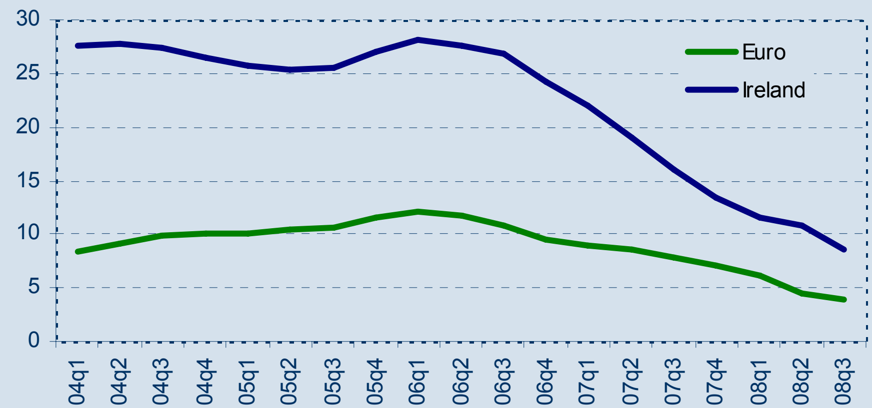
- Falling house completions - swift supply-side response to drop in house prices
- Increase in supply of rental property has put downward pressure on rents
- Mortgage lending growth in Ireland fallen sharply but remains positive
- Despite fall in value of the Irish housing stock, a high level of equity remains
- Continued ECB monetary easing likely to be supportive of the Irish housing market

House price depreciation, rental growth affected by increased supply



Source: Irish Permanent, CSO. Graph shows yoy percentage change in Irish house prices and rents on a quarterly basis from 2004 to 2008.

Mortgage growth slowing across EU



Source: ECB, Central Bank of Ireland. Graph shows annual mortgage growth in percentage terms in Ireland and the Euroland economies.

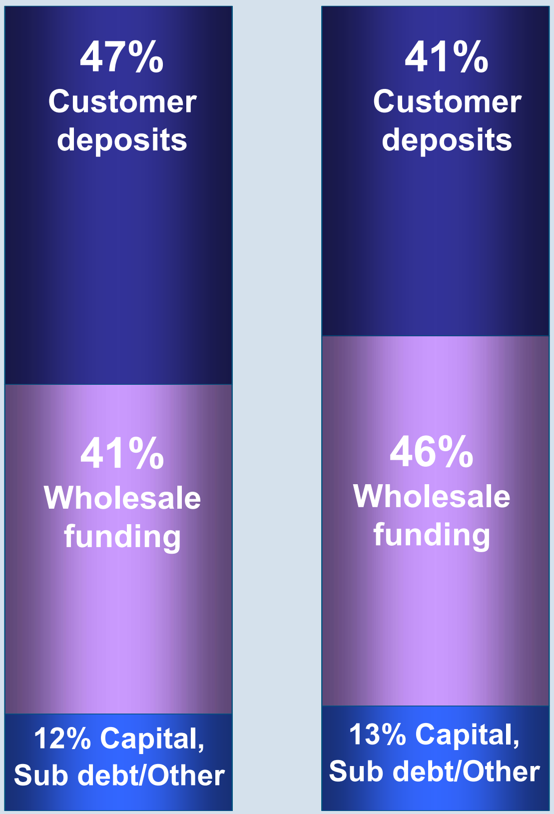
Contents

Balance sheet funding strategy

Bank of Ireland Group

Sept 2008
Total liabilities
€192bn*

Sept 2007
Total liabilities
€186bn*



Funding strategy

- Pro-active 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
- Maintaining and building robust contingent liquidity pool

Delivering strong results

- Driving strong deposit growth across the Group – deposits ↑19%
- Reducing reliance on wholesale funding – €78bn Sept 2008; €85bn Sept 2007
- 29% of wholesale funding with maturity greater than 1 year
- Enhancing strong contingent liquidity position – eligible collateral pool of €47bn at Sept 2008 (Mar 2008 €40bn)

* Excludes Life funds held on behalf of policyholders: Sept 08 €12bn, Sept 07 €14bn

Group deposits

Bank of Ireland Group

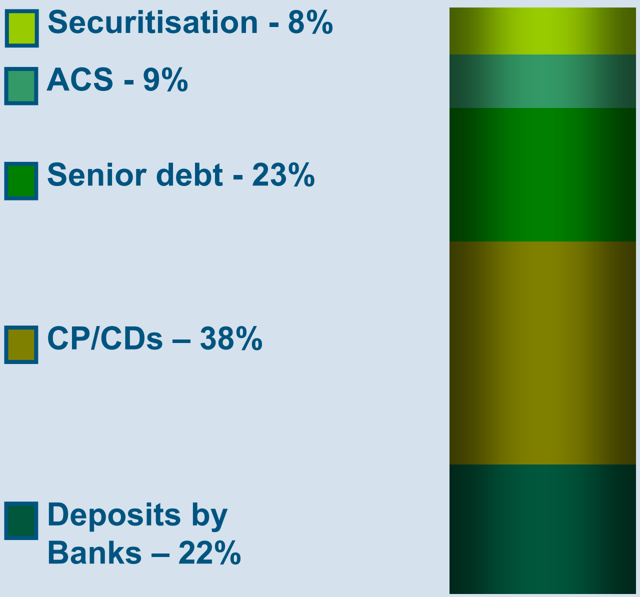
Divisional profile of deposits		
	Sept 2008	**yoy % growth**
Group total	**€91bn**	**↑ 19%**
Retail Financial Services Ireland (RFSI)	€33bn	↑ 2%
Capital Markets	€33bn	↑ 44%
UK Financial Services (UKFS)	£20bn	↑ 34%

Strong deposit gathering capabilities

- RFSI – leading franchise
  - 276 branches
  - 1.3m customers - multiple accounts
  - Focus on retaining and growing market share
- Capital Markets – relationship driven
  - Strong customer franchise
  - Benefiting from investment in our international distribution capability (UK, Europe & US)
- UKFS – Business Banking (£14bn)
  - Relationship driven through business bankers
  - 7% deposit growth
- UKFS – Post Office JV (£6bn)
  - Extensive branch network
  - 584k customers, average balance £11k
  - 147% deposit growth

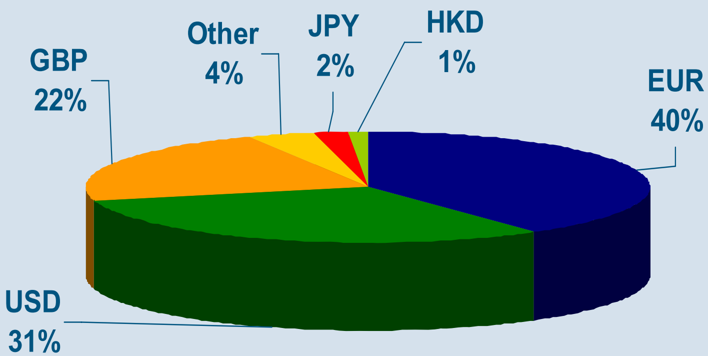
Wholesale funding profile

Total €78bn as at 30 Sept 2008



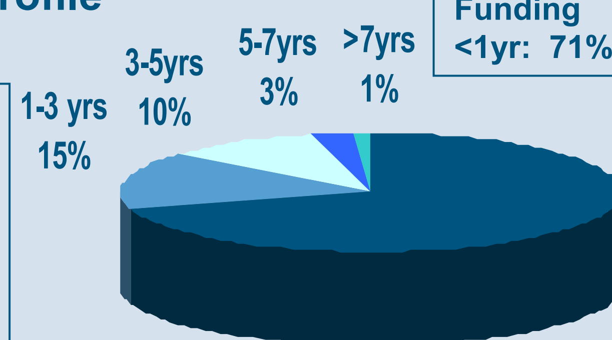
- Wholesale funding decreased from €85bn at Sept 2007 to €78bn at Sept 2008 reflecting increasing 'customer deposits' funding of the balance sheet
- 29% of wholesale funding has a maturity greater than one year at Sept 2008
- €5.7bn term funding raised during 6 months – weighted average duration 2.2 years, cost euribor 3 months + circa 52bps
- In June 2008, issued €1.25bn senior unsecured 2 year FRN – the first public benchmark sized senior unsecured trade from an Irish issuer since July 2007

Currency profile



Maturity profile

Term funding: funding with remaining maturity >1yr: 29%



Funding <1yr: 71%

Strong contingent liquidity position

Bank of Ireland Group

- At Sept 2008 the Group had c.€47 billion of eligible collateral
  - Of which, c.€39 billion would provide immediate access to monetary authorities should liquidity be required
- Focus on optimising the liquidity embedded in our assets
- Contingent liquidity initiatives undertaken to strengthen balance sheet to manage through times of stress not to fund balance sheet growth

Contingent liquidity strategic initiatives

Assets	Active contingent liability strategies
Irish residential mortgage book	Mortgage backed promissory note
	Bank of Ireland Mortgage Bank ACS
UK residential mortgage book	Internal securitisations of UK mortgage book; Colston 1, 2 & 3*
	UK Covered Bond Programme

*Colston 3 transaction of €5.3bn settled on 29.10.08

Strong funding position

Bank of Ireland Group

Strong funding metrics	Sept 2008	March 2008	Sept 2007
Loan to deposit ratio	159%	157%	174%
Customer deposits as % of total assets*	47%	47%	41%
Wholesale funding as % of total assets*	41%	41%	46%
% customer loans funded by customer deposits & term funding (funding with remaining maturity >1yr)	79%	82%	80%
Term funding > 1 year, subordinated debt and customer deposits/loans and advances to customers	84%	87%	86%

*Note: Total assets excluding BoI Life policyholder assets

Strengthening our capital base

Bank of Ireland Group

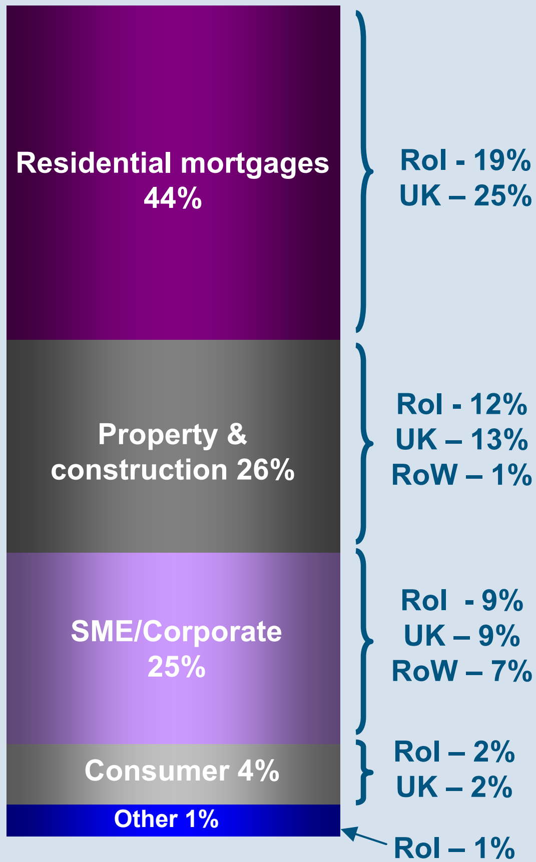
- Continued to improve capital ratios in 6 months to 30 Sept 2008 - controlling risk-weighted asset growth, suspending dividend payments to ordinary stockholders and profit generation
- Dividend payments will not resume until return of more favourable economic and financial conditions
- Market expectations for capital ratios have increased
- Building capital resources is a key management priority - achieve this through a range of options including controlling risk-weighted asset growth, selective balance sheet de-leverage, some non-core asset disposals and earnings retentions

Capital – Basel II

	Sept 2008	Mar 2008
Core tier 1 capital	6.3%	5.7%
Tier 1 capital	8.7%	8.1%
Total capital	12.2%	11.1%
RWA (€bn)	116	117

Contents

Profile of loans & advances to customers - €145bn at Sept 2008



Group loan book

- Group loan book €145bn (*before provisions €0.8bn*) at 30 Sept 2008
- Significant Residential mortgage book - 44%, 19% in Ireland and 25% in the UK
- 26% of loan book in Property & construction lending - 12% in Ireland, 13% in the UK (NI & GB) with 1% RoW
- Lending to SME and Corporate sectors is 25% of the loan portfolio - 9% in Ireland, 9% in the UK with 7% in RoW
- 4% of loan book is Consumer lending which includes credit cards, personal loans and motors loans - 2% is in Ireland and 2% in the UK

Impairment charge at 30 Sept 2008 – by portfolio

Bank of Ireland Group

- Total loans and advances to customers - €145bn at 30 Sept 2008
- Group impairment charge on loans and advances to customers for 6 months ended 30 Sept 2008 – 38bps (annualised)
- Impairment charge by portfolio for 6 months ended 30 Sept 2008:
  - Residential mortgages 4bps
  - Property & Construction 65bps
    - Investment lending 4bps
    - Development lending 181bps
  - SME/Corporate 44bps
  - Consumer 179bps

Impairment charge and stock of balance sheet provisions

Bank of Ireland Group

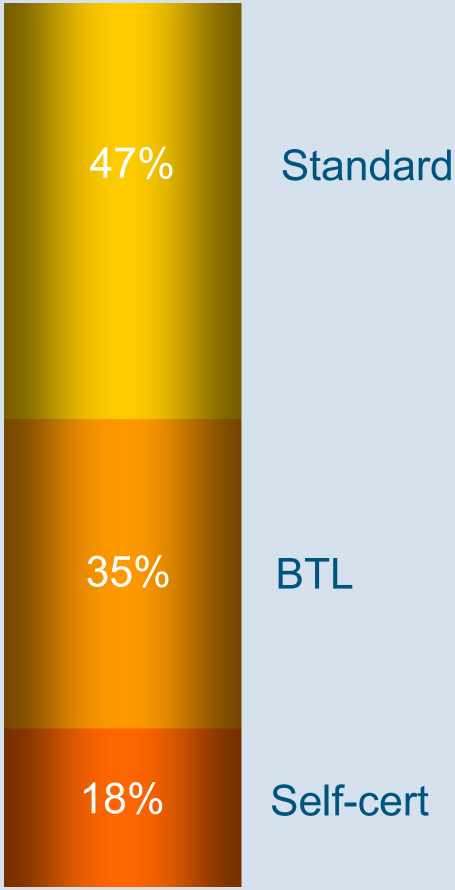
	Group			Retail Ireland			Capital Markets – Corporate Banking			UK Financial Services		
	Sept 2008	Mar 2008	Sept 2007	Sept 2008	Mar 2008	Sept 2007	Sept 2008	Mar 2008	Sept 2007	Sept 2008	Mar 2008	Sept 2007
Total loans *(point in time)* (€bn)	145	136	134	55	54	52	29	26	24	61	56	58
Impaired loans (€m)	1,908	1062	769	988	642	508	332	193	151	588	227	110
Stock of balance sheet provisions (€m)	841	596	482	463	379	301	204	133	103	173	84	79
Stock of balance sheet provisions /total impaired loans (%)	44	56	63	47	59	59	61	69	68	30	37	72
Impairment charge (€)	267	153	79	114	89	57	66	42	11	87	22	11
Impairment charge* (bps)	38	22	12	42	35	23	48	34	8	29	7	4

* Note: Half-year numbers annualised

UK Residential mortgages – €36bn/£29bn

Bank of Ireland Group

Book - segment split

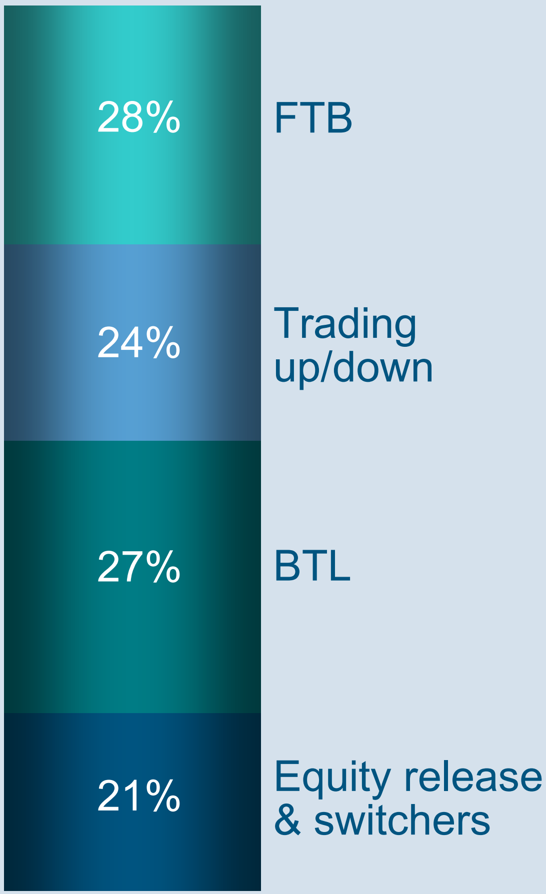


- UK mortgages 57% of total Group mortgages (25% of total Group loans and advances to customers)
- Book growth Sept 2008 vs Sept 2007: ↑16%
- New business split
  - 6 mths to Sept 2008: 88% fixed rate; 12% variable
  - 6 mths to Sept 2007: 79% fixed rate; 21% variable
- Pricing strategy designed to optimise new business returns in chosen segments. Greater opportunity to increase margins due to lower supply to market
- Expect house prices to fall 30% ‘peak to trough’; 14% down yoy to October 2008 (Halifax)
- Asset quality remains resilient – modest impairment charge 6bps Sept 2008 (1bps Mar 2008; nil bps Sept 2007)
- Arrears - 3 month arrears*
  - Book: 75bps Sept 08; 63 bps Mar 08; 57 bps Sept 07 (CML 133bps Jun 08)
  - Buy-to-let: 80bps Sept 08; 57bps Mar 08; 50 bps Sept 07 (CML 110bps Jun 08)
  - Self Cert: 164bps Sept 08; 139bps Mar 08; 99 bps Sept 07
  - Standard: 50bps Sept 08; 49bps Mar 08; 51 bps Sept 07
- Repossessions
  - Bank of Ireland has 265,000 mortgages in the UK
  - At Sept 2008 – 237 properties or 0.09% of the portfolio is re-possessed
  - 220 new re-possessions in 6 months ended 30 Sept 2008

* Loans which are 90 days or more past due

Irish Residential mortgages – €27bn

Book - segment split



- Irish mortgages 43% of total Group mortgages (19% of total Group loans and advances to customers)
- Book growth Sept 2008 vs Sept 2007: ↑7%
- New business product split:
  - 6 mths to Sept 2008: 24% FTB; 24% Trade-up/down; 25% BTL: 27% Equity release/switchers
  - 6 mths to Sept 2007: 24% FTB; 24% Trade-up/down; 29% BTL: 23% Equity release/switchers
- Managing margin/profitability – withdrawn from tracker mortgages; promoting fixed rate products
- House price falls 14% to date from peak in February 2007 (ESRI - PTSB) expect c.30% 'peak-to-trough'; 11% yoy house price decline (Sept 2008)
- Managing credit risk – reducing exposure to higher LTV mortgages:
  - Ceased 100% mortgages (Circa €1bn FTB 100% mortgages – c.€100m negative equity)
- Asset quality remains resilient
  - Arrears:
    - 3 month arrears*: Book 91bps Sept 2008 (70bps Mar 2008; 59bps Sept 2007)
    - Impairment charge: 2bps Sept 2008; (1bp Mar 2008; 1 bp Sept 2007)
  - Repossessions:
    - Bank of Ireland has 194,000 mortgage accounts in Ireland
    - At Sept 2008 – 1 property in the portfolio was re-possessed
    - No new repossessions in the 6 mths to Sept 2008

* Loans which are 90 days or more past due

Property & construction lending - €38bn Sept 2008

Bank of Ireland Group

Geographic and sector profile*

	Investment	Development	Landbank	Total
Ireland				
Landbank	-	-	9%	9%
Residential	4%	6%	-	10%
Commercial	23%	4%	-	27%
Total Ireland	**27%**	**10%**	**9%**	**46%**
UK (GB/NI)				
Landbank	-	-	5%	5%
Residential	5%	8%	-	13%
Commercial	30%	3%	-	33%
Total UK (GB/NI)	**35%**	**11%**	**5%**	**51%**
Total Other	**3%**	**-**	**-**	**3%**
TOTAL	**65%**	**21%**	**14%**	**100%**

* Note: Slide 51 provides geographic and sector profile of property & construction lending in € amounts

Overall portfolio – Sept 2008

- Property & construction lending of €38 billion - 26% of the Group loan book at 30 Sept 2008
- Severe economic slowdown in main markets in Ireland and the UK - declines in property and construction sector impacting values and levels of activity
- Bank of Ireland portfolio bias towards investment lending - 65% of portfolio representing €25bn - performing well with negligible impairment
- Bank of Ireland development and landbank portfolios - 35% of portfolio representing €13bn - more negatively impacted by property asset re-pricing - rising impairment in landbank and residential development portfolios in particular

Asset quality across other lending portfolios Sept 2008

Bank of Ireland Group

SME/ Corporate lending

€37bn

- SME/Corporate lending portfolio of €37bn
  - 38% Ireland, 35% UK and 27% RoW
- SME portfolio in UK and Ireland well diversified across a range of sectors - impacted by general downturn in levels of economic activity
- Corporate lending focusing on a range of specialist portfolios - Acquisition Finance, Global Project Finance, Corporate Ireland, and specialist niche lending including Media, Maritime, Asset Backed Lending
- Asset quality across well-diversified portfolios remains strong

Consumer lending – unsecured

€6bn

- 4% of loans and advances to customers - €6bn
- Includes personal loans, overdrafts, motorloans and credit cards
- Some deterioration in asset quality – though in line with expectation for current phase in economic cycle
- Tightening credit criteria and enhanced management of arrears

Outlook for asset quality

Bank of Ireland Group

Guidance March 2009

Likely acceleration of loan loss experience due to increasing severity of economic slowdown in Ireland and the UK.

We now expect impairment charge for 12 months ending 31 March 2009 to be at the lower end of a 60 to 75bps range.

Impairment charge by portfolio

Guidance March 2010

Negative economic growth together with more severe asset re-pricing is likely to lead to an impairment charge in the year to March 2010 in a range of 90 to 110bps

Profile of Available for Sale Financial Assets

Bank of Ireland Group

Profile of AFS Assets

- Portfolio of Available-for-sale (AFS) financial assets: €27.7bn (Mar 2008 €29.3bn)
- Liquid asset portfolio at 30 Sept 2008: €25bn (Mar 2008 €26.4bn)
- ABS portfolio at 30 Sept 2008: €2.7bn (Mar 2008 €2.9bn)
- Average life of portfolio to maturity – 2.64 years
- Total cumulative 'market-to-market' impact of €822m through reserves - €402m in the 6 mths to Sept 2008; €40m impairment through Income Statement in 6 mths to 30 Sept 2008

Government securities

- €1.4bn government bonds (Mar 2008 £1.8bn)
- >97% AAA rated
- Cumulative 'mark-to-market' negative impact of €4m through reserves
- 'Mark-to-market' on portfolio 102.7%

Covered bonds/ Senior bank debt

- €17.9bn senior bank debt; €5bn Covered bonds; and €0.7bn other
- Average rating AA-
- Cumulative 'mark-to-market' negative impact of €568m through reserves - €292m in the 6 mths to Sept 2008
- 'Mark-to-market' on portfolio 96.7%
- Impairment charge €40m on Senior bank debt (WaMu) through Income Statement in 6 mths to Sept 2008; exposure of €27m to Icelandic banks

ABS portfolio

- €2.7bn ABS portfolio (March 2008 €2.9bn)
- Cumulative 'mark-to-market' negative impact of €250m through reserves - €110m in 6 mths to Sept 2008
- 'Mark-to-market' on portfolio 90.0%
- No impairment in current year - €7m cumulative impairment to March 2008

Contents

Bank of Ireland Group

Conclusion

Bank of Ireland Group

- Bank of Ireland – a strong and responsible issuer
- Irish economy faces challenges
  - Significant slowdown expected in the near future
  - Robust Irish Government finances can support forecasted downturn with strong debt/GDP ratios and solid AAA ratings
  - Significant portion of Government budget allocated to capital expenditure
- Diverse funding position remains strong
  - Prudent, pro-active approach to liability management
  - Maintain and improve strong balance sheet metrics
  - Contingent liquidity utilising franchise assets
- Focus on actively and prudently managing credit risk

Contents

Bank of Ireland Group

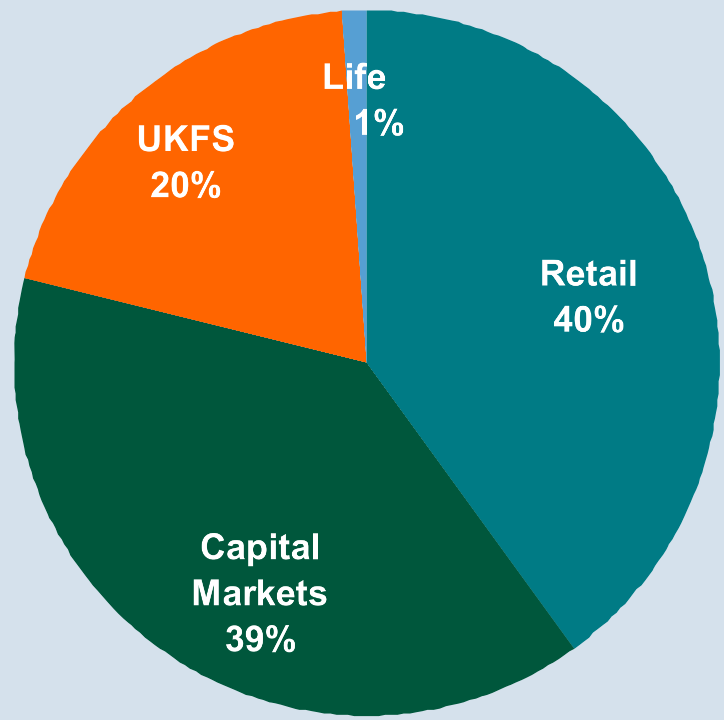
Profit before tax by Division

Bank of Ireland Group

PBT by Division

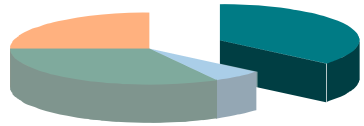
	Sept 08 €m	Sept 07 €m	% Change
Retail Ireland	286	381	(25)
Bank of Ireland Life	3	72	(96)
Capital Markets	283	309	(8)
UKFS	148	240	(38)
Group Centre	(70)	(51)	(37)
Underlying PBT	650	951	(32)
Non-core items*	56	140	
Profit before tax	706	1091	(35)

Group Divisional profitability**



* See slide 31 for analysis of non-core items
** Excludes Group Centre

Retail Ireland



40%

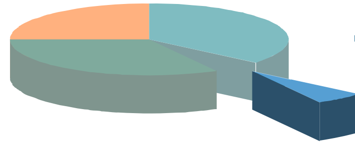
Bank of Ireland Group

Key metrics - Sept 08 vs Sept 07

Total income	↓ 2%	to	€918m
Costs	↓ 4%	to	€478m
Operating profit	↑ 1%	to	€440m
Impairment losses	↑ €57m	to	€114m
Impairment charge	↑ from 23bps	to	42bps
Profit before tax	↓ 25%	to	€286m
Retail loan book	↑ 7%	to	€55bn
Deposits	↑ 2%	to	€33bn

- Operating profit ↑1%
  - Total income ↓2%: higher net interest income offset by lower other income - severe economic slowdown with more moderate lending growth and lower new business activity in Private Banking and other fee earning businesses
  - Very strong cost containment – costs ↓4% cost/income ratio ↑1% to 54%
  - Impairment charge higher by €57m (42bps compared to 23bps Sept 07; 35bps 6 mths to Mar 08)
- PBT ↓25%
  - PBT impacted by €40m negative mark-to-market relating to a property unit trust investment
- Business Banking
  - Slowdown in lending
  - Significant increase in impairment charge due to slowdown in rate of economic activity impacting small business and property-related lending
- Mortgages
  - Slower book growth: ↑7%
  - Managing margins – promoting ‘fixed rates’ and trackers withdrawn
  - Asset quality resilient with negligible impairment charge

Bank of Ireland Life



1%

Key metrics – Sept 08 vs Sept 07

Total income	↓ 12%	to	€120m
Costs	flat	at	€54m
Operating profit	↓ 20%	to	€66m
Investment valuation variance	↑ from (€5m)	to	(€63m)
Profit before tax	↓ 96%	to	€3m

- Significant reduction in operating profit and PBT
- Performance impacted by continued volatility in equity markets
  - Lower sales of new business
  - Increase in investment valuation variance
- APE sales ↓35% on H1 to Sept 2007
  - Regular Premium product sales ↓21%
  - Single Premium product sales ↓48%
- Negative investment valuation variance – increase from (€5m) to (€63m)

Capital Markets 39%

PBT – Business Analysis

	Sept 08 €m	Sept 07 €m	% Change
Corporate Banking	211	187	13
Global Markets	84	93	(10)
Asset Management	(10)	33	
Division Centre	(2)	(4)	
Profit before tax	283	309	(8)

- PBT ↓8% impacted by WaMu AFS asset impairment of €40m, together with higher loan losses of €55m and Lehman collapse
- Costs ↓2% – positive cost income jaws of 15% with cost/income ratio of 34% down 4 percentage points
- Very strong deposit growth ↑44%
- 48bps annualised impairment charge (excluding AFS) – increased from 34bps in 6 mths to Mar 08; 8bps Sept 07 – 70% of the increase relates to some specific provisions together with grade degradation in property lending

Corporate Banking

- Strong PBT growth ↑13%
- Corporate loan book ↑22%
  - Strong volume growth with margin improvement – book well diversified by sector and geography
  - Slowdown in lending in second half of reporting period
- Increased impairment charge

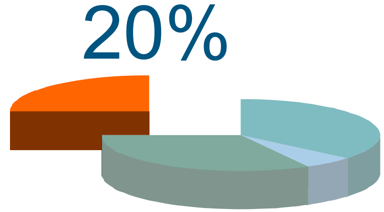
Global Markets

- PBT ↓10%; PBT excluding WaMu AFS asset impairment of €40m ↑33%
- Strong performance in volatile markets

Asset Management

- Lower income due to negative market impact on funds under management
- Negative profit impact of €32m due to Lehman collapse

UK Financial Services (Sterling)



PBT – Business Analysis

	Sept 08 £m	Sept 07* £m	% Change
Business Banking	57	89	(36)
Mortgage Business	52	64	(19)
Consumer Financial Services	25	24	4
Division Centre	(17)	(13)	(30)
Profit before tax	117	164	(29)

**Note: Divisional PBT performance of UK Financial Services (UKFS) and Group Centre are restated to reflect the corporate restructuring of Bristol & West plc undertaken to obtain the optimum capital and funding treatment for the Group under Basel II. For the 6 months ended 30 September 2007, this restatement reduces the UKFS PBT to £164 million from £175 million and it reduces Group Centre's loss by an equivalent amount.*

Business Banking

- Strong lending growth, loan book ↑22% with improved pricing partly offset by higher funding costs and deposit margin attrition
- Operating profit ↑14% to £108m
- Impairment charge ↑£45m (60bps Sept 2008; 16bps Mar 2008; 9bps Sept 2007) impacting profit before tax

Mortgages

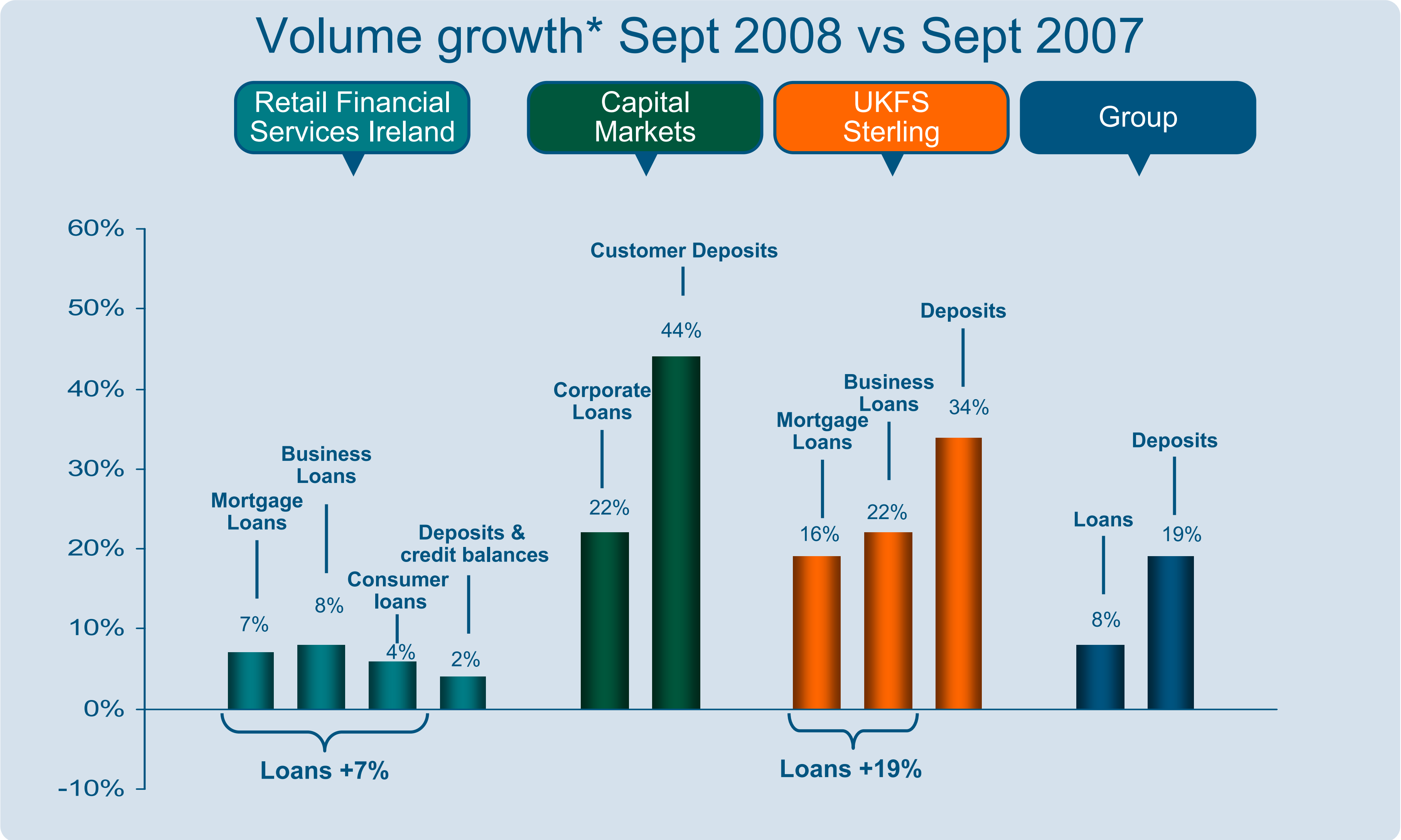
- Strong lending growth, loan book ↑16%
- Modest impairment charge of 6bps (1bp Mar 2008; nil bps Sept 2007) – resilient arrears profile
- 19% decline in PBT – driven by reduced early redemption income, higher loan losses and increased funding costs – partly offset by volume growth and enhanced new lending margins

Consumer Financial Services

- 147% customer deposit growth to £6.1bn in POFS
- PBT ↑4%

Loan & deposit volume growth

Bank of Ireland Group



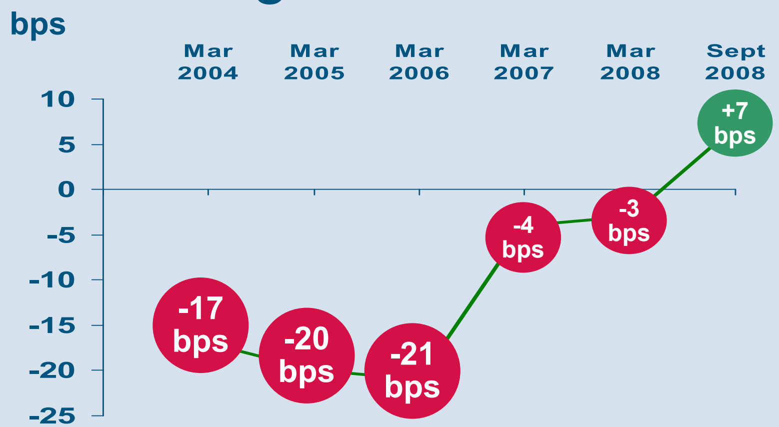
*Point-in-time volume growth

Net interest margin

Net interest margin

	Sept 2008	Sept 2007
Net interest income excluding impact of IFRS income classifications	€1518m	€1421m
Average interest earning assets	€178bn	€173bn
Net interest margin	**1.71%**	**1.64%**

Margin movement



Margin improvement - drivers

	Sept 2008 vs Sept 2007 (bps)
Balance sheet structure/asset mix	+6
Balance sheet de-leverage	+4
Lending margins	+3
Higher funding costs associated with market dislocation	(5)
Liability spreads	(1)
Net interest margin attrition	**+7bps**

Contents

Bank of Ireland Group

Residential Mortgages – Ireland

Bank of Ireland Group

Average Loan to Value – new business

Retail Ireland	Sept 2008	Sept 2007	Sept 2006
Owner Occupied	68%	70%	73%
Investors	58%	61%	62%

Mortgages – arrears profiles

Retail Ireland	1-3 mths	3-6 mths	6-12 mths	12+ mths	Total
Sept 2008 (%)	0.76	0.36	0.28	0.27	1.66
Mar 2008 (%)	0.46	0.27	0.22	0.21	1.16
Sept 2007 (%)	0.40	0.21	0.20	0.18	0.98

Based on values

Residential Mortgages - UK

Bank of Ireland Group

Average Loan to Value – new business

UK	Sept 2008	Sept 2007	Sept 2006
Standard	63%	65%	61%
Specialised			
Buy-to-let	70%	74%	75%
Self-certified	73%	73%	71%

Mortgages – arrears profiles

UK	1-3 mths	3-6 mths	6-12 mths	12+ mths	Total
Sept 2008 (%)	1.64	0.49	0.21	0.06	2.40
Mar 2008 (%)	1.48	0.40	0.18	0.06	2.12
Sept 2007 (%)	1.56	0.38	0.15	0.04	2.13

Based on no. of cases

Property & construction
Investment lending €25bn
65% of total property & construction lending of €38bn at Sept 2008

Bank of Ireland Group

Property & construction investment lending - Geographic and sector profile

	Investment
Ireland	
Landbank	-
Residential	7%
Commercial	35%
Total Ireland	**42%**
UK (GB/NI)	
Landbank	-
Residential	8%
Commercial	46%
Total UK (GB/NI)	**54%**
Total Other	**4%**
TOTAL	**100%**

Investment portfolio

- Geographic profile of investment portfolio
  - 42% in Ireland, 54% in the UK and 4% US/Europe
- Portfolio performing well – negligible impairment (4bps Sept 08)
- Commercial investment – Ireland €9bn
  - Portfolio well diversified – good quality tenants & spread of properties
  - c.46% retail; 31% office; 9% industrial; 14% other
  - Average interest cover c. 1.1X
- Commercial investment – UK €12bn & RoW €1bn
  - Portfolio well diversified – good quality tenants
  - c.47% retail, 21% office, 7% industrial, 25% other
  - Average interest cover c. 1.25X
- Residential investment - €3bn *(UK €2bn & Irl €1bn)*
  - Primarily SME lending, housing associations and student accommodation
  - Mainly houses rather than apartments
  - Properties well spread with good tenant profile

Property & construction

Development and landbank €13bn

35% of total property & construction lending of €38bn at Sept 2008

Bank of Ireland Group

Development and landbank lending - Geographic and sector profile

	Development	Landbank	Total
Ireland			
Landbank	-	26%	26%
Residential	18%	-	18%
Commercial	10%	-	10%
Total Ireland	**28%**	**26%**	**54%**
UK (GB/NI)			
Landbank	-	15%	15%
Residential	21%	-	21%
Commercial	10%	-	10%
Total UK (GB/NI)	**31%**	**15%**	**46%**
Total Other	**-**	**-**	**-**
TOTAL	**59%**	**41%**	**100%**

Development and landbank portfolio

- Profile of development and landbank portfolio
  - 54% in Ireland and 46% in the UK
  - 59% in development and 41% in landbank
- Landbank - €5bn *(Irl €3bn and UK €2bn)*
  - c.95% zoned or with planning
  - Exposures largely cross-collateralised
- Commercial development - €3bn *(Irl €2bn/UK€1bn)*
  - Risk significantly mitigated through pre-sales/pre-lets
- Residential development - €5bn *(Irl €2.3bn/UK€2.8bn)*
  - Most sensitive to house price declines
  - Limited exposure to partly completed stock

Contents

Bank of Ireland Group

Contacts

Bank of Ireland Group

For further information please call:

Group Treasurer

Sean Crowe	tel: +353 1 604 2212	sean.crowe@boimail.com

Wholesale Liabilities

Paul Flynn	tel: +353 1 799 3140	paul.flynn@boigm.com
John Barry		john.barry@boigm.com
Darach O'Leary		darach.oleary@boigm.com

Capital Management

Brian Kealy	tel: +353 1 604 3537	brian.kealy@boimail.com

Debt Investor Relations

Maria Casey	tel: +353 1 799 3140	maria.casey@boigm.com

Investor Relations website

www.bankofireland.ie/investor