

Corporate Governance Statement

The Court of Directors is accountable to stockholders for the overall direction and control of the Group. It is committed to high standards of governance designed to achieve enhanced stockholder value, sustained business growth and protection of the interests of customers, employees and other stakeholders while promoting the highest standards of integrity, transparency and accountability. A key objective of our governance framework is to ensure compliance with applicable legal and regulatory requirements and with best governance practice as set out in "The Combined Code on Corporate Governance" (the Combined Code). The Directors believe that the Group has delivered on these objectives and expect it to continue to do so. Specifically, the Group has complied with the provisions of the Combined Code throughout the year ended 31 March 2008.

The Court of Directors

At 31 March 2008, the Court consisted of 15 Directors, ten of whom were Non-Executive Directors. It held seven scheduled and two additional unscheduled meetings during 2007 / 2008. Agendas and papers are circulated prior to each meeting to provide the Directors with relevant information to enable them to fully discharge their duties.

The Court has the following schedule of matters specifically reserved for its decision:

- the determination of strategy and company values;
- overseeing the management of the business including control systems and risk management;
- approving material acquisitions, disposals and investment decisions;
- overseeing corporate governance and succession planning;
- guarantees entered into by the Group, other than in the normal course of business; and
- changes in Group pension schemes.

Management is responsible for the execution of agreed strategy and for all operational matters.

Details of the number of scheduled meetings of the Court and its Committees and attendance by individual Directors are set out on page 62. The terms of reference of the Committees are reviewed annually by the relevant Committees and by the Court and are available on the Bank's website (www.bankofireland.com) or by request to the Group Secretary. The Non-Executive Directors meet at least once annually without the Executive Directors present.

The Bank has put in place Directors and Officers liability insurance in respect of legal actions against its Directors; this insurance cover does not extend to fraudulent or dishonest behaviour.

Governor and Group Chief Executive

The respective roles of the Governor, who is Chairman of the Court, and the Group Chief Executive, are set out in writing and have been agreed by the Court.

The Governor oversees the operation and effectiveness of the Court of Directors. He also ensures that there is effective communication with stockholders and promotes compliance with the highest standards of corporate governance. The Group Chief Executive is responsible for execution of agreed strategy and holds delegated authority from the Court for the day to day management of the business.

David Dilger was appointed Senior Independent Director on 12 September 2007 in succession to Caroline Marland.

Board Balance and Independence

Each of the Non-Executive Directors brings considerable business and / or professional experience, independent challenge and rigour to the deliberations of the Court of Directors. The Court has determined that each current Non-Executive Director is independent within the meaning of the Combined Code and the New York Stock Exchange ('NYSE') Corporate Governance Standards.

Appointments to the Court

The Group Nomination and Governance Committee is chaired by the Governor and its composition is fully compliant with the Combined Code. The Committee is responsible for leading the process for succession to the position of Group Chief Executive and for Court and key subsidiary Board non-executive appointments and renewals.

The Committee regularly reviews succession plans for the Court in the context of the Group's strategy and the skills, knowledge and experience of current Directors and makes appropriate recommendations to the Court. Prior to any appointment, the Committee approves a job specification; assesses the time involved and identifies the skills and experience required for the role. External search consultants were utilised in the process leading to the appointments of Rose Hynes, Jerome Kennedy and Heather Ann McSharry as Non-Executive Directors.

All newly appointed Directors are provided with a comprehensive letter of appointment detailing their responsibilities as Directors, the terms of their appointments and the expected time commitment for the role. A copy of the standard terms and conditions of appointment of Non-Executive Directors can be inspected during normal business

hours by contacting the Group Secretary. In addition the Committee, with the support of the Group Secretary, monitors developments in corporate governance, assesses the implications for the Group and advises the Court accordingly. It is also charged with overseeing the Group's Corporate Responsibility Programme.

Information and Professional Development

On appointment, all Non-Executive Directors receive comprehensive briefing documents designed to familiarise them with the Group's operations, management and governance structures; these include the functioning of the Court and the role of the key Committees. In addition, new Directors undertake an induction programme, including visits to Group businesses and briefings with senior management. The Group will facilitate any major stockholder who wishes to meet with a new Non-Executive Director. On an ongoing basis briefings appropriate to the business of the Group are provided to all Non-Executive Directors.

The Directors have access to the advice and services of the Group Secretary, who is responsible for advising the Court on all governance issues and for ensuring that the Directors are provided with relevant information on a timely basis to enable them to consider issues for decision and to discharge their oversight responsibilities. The Directors also have access to the advice of the Group Legal Adviser and to independent professional advice, at the Group's expense, if and when required. Committees of the Court have similar access and are provided with sufficient resources to undertake their duties.

Performance Evaluation

Each Committee of the Court reviews its performance and discusses its conclusions with the Court. The Court evaluates its own performance and that of individual Directors annually and also reviews the conclusions of the Group Nomination and Governance Committee in relation to the performance of individual Directors standing for election or re-election. The objective of all these evaluations is to identify any scope for improvement and, in the case of the individual evaluations, to determine whether each Director continues to contribute effectively and to demonstrate commitment to the role.

The Court and individual Director performance evaluation process involves completion of questionnaires by Directors, one to one discussions between the Governor and each Director and presentation of the overall findings to the Court for its consideration and action as required.

As part of the overall performance evaluation process, the Non-Executive Directors, led by the Senior Independent Director, meet annually without the Governor present to appraise the Governor's performance, having taken the views of the Executive Directors and Group Secretary into account. They may also meet on such other occasions as are deemed appropriate.

Election / Re-Election of Directors

All Directors appointed between Annual General Courts are submitted to stockholders for election at the first Annual General Court following their appointment and for re-election at intervals of not more than three years thereafter. Biographical details of all Directors are provided in this Report and Accounts, and the reasons why the Court believes that an individual should be elected or re-elected are provided in the Governor's Letter to Stockholders to enable stockholders to take an informed decision on their election or re-election.

At the forthcoming Annual General Court, Richard Burrows, David Dilger, George Magan, Declan McCourt and John O'Donovan are standing for re-election. Following formal performance evaluation, the Court has confirmed that the performance of each of these Directors is effective and recommends that stockholders vote in favour of their re-election. All Non-Executive Directors are appointed for an initial three year term with an expectation of a further term of three years assuming satisfactory performance. Where a Director is invited to remain beyond six years, his / her performance is subject to rigorous review. Should any Non-Executive Directors be invited to serve longer than nine years they are subject to annual re-election by stockholders.

Remuneration

The Remuneration Report, incorporating the responsibilities of the Group Remuneration Committee, is set out on pages 50 to 58.

A statement confirming that remuneration consultants appointed by the Group Remuneration Committee have no other connections with the Group is available on the Group's website (www.bankofireland.com) or by request to the Group Secretary. The Group's long term incentive schemes have been approved by stockholders.

Accountability and Audit

The Report of the Directors, including a going concern statement, is on pages 46 and 47.

Internal Controls

The Directors acknowledge their overall responsibility for the Group's systems of internal control and for reviewing their effectiveness. Such systems are designed to control, rather than eliminate, the risk of failure to achieve business objectives and can provide reasonable, but not absolute, assurance against material misstatement or loss. Such losses could arise because of the nature of the Group's business in undertaking a wide range of financial services that inherently involve varying degrees of risk.

The Court has obligations as a non-US registrant under US securities laws and regulations, including the requirement to comply, where applicable, with the Sarbanes-Oxley Act of 2002 (SOx). The Group has put in place a comprehensive framework to document and test its internal control structures and procedures in line with the requirements of Section 404 of SOx, which requires, among other things, certification by management regarding the effectiveness of internal controls over financial reporting. The Group's overall control systems include:

- a clearly defined organisation structure with defined authority limits and reporting mechanisms to higher levels of management and to the Court, which support the maintenance of a strong control environment;
- establishment of Committees with responsibility for core policy areas;
- a comprehensive set of policies and procedures relating to financial controls, asset and liability management (including interest, currency and liquidity risk), operational risk and credit risk management (further details are given in the Risk Management section on pages 27 to 43.
- a Code of Conduct setting out the standards of behaviour expected of all directors, officers and employees. This covers arrangements, should the need arise, for the independent investigation and follow up of any concerns raised by staff regarding matters of financial reporting or other matters;
- monthly reporting by business units which enables progress against business objectives to be monitored, trends to be evaluated and variances to be acted upon; and
- a semi annual detailed operational risk assessment by all Group businesses with reports to Divisional Management on the effectiveness of their risk management systems. Heads of business units are required to certify the accuracy of the self assessment and the results arising from this process are noted by the Group Risk Policy Committee.

These controls, which are embedded within the operations of the Group, are reviewed by Group Internal Audit. In these reviews, emphasis is focused on areas of greater risk as identified by risk analysis.

The Directors confirm that the Court, through its Committees, has reviewed the effectiveness of the Group's systems of internal control for the year ended 31 March 2008. This review involved consideration of the reports of internal audit and the risk management functions, (including operational risk, regulatory risk and compliance) and establishing that appropriate action is being taken by management to address issues highlighted. In addition, the reports of the external auditors, which contain details of any material control issues identified arising from their work, are reviewed by the Group Audit Committee. After each meeting of the Group Audit Committee, its Chairman reports to the Court on all significant issues considered by the Committee, and the minutes of meetings are circulated to all members of the Court.

Following the end of the financial year, the Court reviewed the Group Audit Committee's conclusions in relation to the Group's systems of internal control and the appropriateness of the structures in place to manage and monitor them. This process involved a confirmation that a system of internal control according with the Financial Reporting Council Revised Guidance on Internal Control was in place throughout the financial year and up to the date of the signing of these financial statements. It also involved an assessment of the ongoing process for the identification, evaluation and management of individual risks and of the role of the various Committees and Group risk management functions and the extent to which various significant challenges facing the Group are understood and are being addressed.

Audit Committee and Auditors

The Group Audit Committee comprises only independent Non-Executive Directors and rather than designating any individual as having recent and relevant financial experience, the Court has determined that the Committee members' collective skills enable it to discharge its responsibilities. The Group Audit Committee assists the Court in fulfilling its responsibilities relating to:

- the integrity of the financial statements and any related formal announcements;
- overseeing the relationship between the Group and its external auditors;
- the review of the Group's internal controls, including financial controls;
- assessment of the effectiveness of the internal audit, compliance and risk management functions;
- the review of the internal and external audit plans and subsequent findings;
- the selection of accounting policies;
- the review of the auditors' report;
- obligations under applicable laws and regulations including SOx; and
- the review of the effectiveness of the services provided by the external auditors and other related matters.

The Committee has conducted a formal evaluation of the effectiveness of the external audit process and has reported on its findings to the Court. It conducts an annual review of the procedures and processes by which non-audit services are provided by the external auditors in order to ensure, among other things, that auditor objectivity and independence are not compromised. In this regard, a key procedural control requires that any engagement of the external auditors to provide non-audit services must be pre-approved by the Committee, which also receives reports on the performance of such services.

Attendance at scheduled meetings during the year ended 31 March 2008

Name	Court		Group Audit Committee		Group Nomination & Governance Committee		Group Remuneration Committee		
	A	B	A	B	A	B	A	B	
Richie Boucher	7	7	-	-	-	-	-	-	
Richard Burrows	7	7	-	-	3	3	5	5	
Des Crowley	7	7	-	-	-	-	-	-	
David Dilger	7	7	3	3	3	3	4	4	Retired from Audit Committee 11 th September 2007. Appointed to Remuneration Committee and Nominations & Governance Committee 11 th September 2007
Denis Donovan	7	7	-	-	-	-	-	-	
Brian J Goggin	7	7	-	-	-	-	-	-	
Paul Haran	7	7	2	2	3	3	-	-	Appointed to Audit Committee 11 th September 2007
Dennis Holt	7	7	5	5	-	-	5	5	
Rose Hynes	5	5	2	2	-	-	-	-	Elected to Court 17 th July 2007. Appointed to Audit Committee 11 th September 2007
Jerome Kennedy	5	5	2	2	-	-	-	-	Elected to Court 17 th July 2007. Appointed to Audit Committee 11 th September 2007
George Magan	7	6	-	-	3	3	5	4	
Caroline Marland	2	2	-	-	1	1	-	-	Retired 17 th July 2007
Declan McCourt	7	6	5	5	-	-	1	1	Retired from Remuneration Committee 11 th September 2007
Heather Ann McSharry	5	5	-	-	1	1	-	-	Elected to Court 17 th July 2007. Appointed to Nominations & Governance Committee 11 th September 2007
Tom Moran	2	2	3	3	1	1	-	-	Retired 17 th July 2007
Terry Neill	7	7	5	5	-	-	5	5	
John O'Donovan	7	7	-	-	-	-	-	-	

Column A indicates the number of scheduled meetings held during the period the Director was a member of the Court and / or the Committee and was eligible to attend. Column B indicates the number of scheduled meetings attended. There were additional unscheduled meetings of the Court and its Committees, between scheduled meetings, as the need arose.

Court Sub-Committees

Group Risk Policy Committee – The Group Risk Policy Committee is responsible for recommending high level risk policy and risk strategy to the Court for its approval and for overseeing management of risk within approved policy parameters.

Group Investment Committee – The Group Investment Committee is responsible for evaluating all material investment / divestment / capital expenditure proposals, determining those within its authority and recommending those outside its authority to the Court for its approval. It is also responsible for monitoring the implementation of such proposals and ensuring satisfactory delivery of expected benefits.

Membership of the above committees at 31 March 2008 was as follows:

Group Risk Policy Committee

Ronan Murphy (Chairman)
 Richie Boucher *
 John Clifford
 Des Crowley *
 Denis Donovan *
 Brian J Goggin *
 Vincent Mulvey
 John O'Donovan *
 Mick Sweeney

Group Investment Committee

Brian J Goggin * (Chairman)
Richie Boucher *
Christine Brennan
John Clifford
Des Crowley *
Denis Donovan *
Lewis Love
Ronan Murphy
John O'Donovan *
Tony Wyatt
* Court member

Relations with Stockholders

Communication with stockholders is given high priority. The Group seeks to provide through its Annual Report a balanced, clear assessment of the Group's performance and prospects. It also uses its internet website, (www.bankofireland.com) to provide investors with the full text of the Annual and Interim reports, the Form 20-F (which is filed annually with the US Securities and Exchange Commission) and with copies of presentations to analysts and investors as they are made, so that information is available to all stockholders. Annual and interim results presentations are webcast live so that all stockholders can receive the same information at the same time. Additionally, the "Investor Information" section on the Group's website is updated with all Stock Exchange releases as they are made by the Group. The outcome of every general meeting of the Group, including detailed voting results, is published on the Group's website.

The Group has an active and well developed Investor Relations programme, which involves regular meetings by the Group Chief Executive, members of his senior executive team and the Head of Group Investor Relations with the Group's principal institutional stockholders and with financial analysts and brokers. The Directors are kept informed on investor issues through regular reports from Group Investor Relations on the outcome of these meetings; in addition, the Governor meets with major stockholders independently of the executive team. All meetings with stockholders are conducted in such a way so as to ensure that price sensitive information is not selectively divulged. The Governor also gathers the views of institutional stockholders, through the Group's brokers and advisers, and presents feedback to the Court. In addition, all Directors are encouraged and facilitated to hear the views of investors and analysts at first hand through their participation in conference calls following major announcements. The Court concluded that the objective of keeping Directors fully informed on stockholder views was achieved in 2007 / 2008.

The Governor and / or the Senior Independent Director are available to stockholders if they have concerns that cannot be resolved through the normal channels and it is Group policy to facilitate any major stockholder who wishes to discuss any issue with the Governor or the Senior Independent Director.

The Group's policy is to make constructive use of the Annual General Court and all stockholders are encouraged to participate. Stockholders are given the opportunity to ask questions at the Annual General Court. The notice of the Annual General Court is issued at least 20 working days before the meeting in line with the requirements of the Combined Code. At the Annual General Court separate resolutions are proposed on each substantially separate issue and voting was conducted electronically by way of poll at the Annual General Court in July 2007. The votes for, against and abstaining, on each resolution, including proxies, were immediately provided to those in attendance and were posted on the Group's website following the meeting. It is usual for all Directors to attend the Annual General Court and to be available to meet stockholders and for the chairmen of the Group Audit

Committee, the Group Nomination and Governance Committee and the Group Remuneration Committee to be available to answer relevant questions. In addition a 'Help Desk' facility is available at the meeting to assist stockholders to resolve any specific queries they may have.

**New York Stock Exchange (NYSE)
Corporate Governance Requirements**

All non-US companies listed on the NYSE are required to disclose any significant differences between their corporate governance practices and the requirements of the NYSE applicable to US companies.

As an Irish incorporated company listed on the Irish and London Stock Exchanges and with an ADR listing in New York, the Group's corporate governance practices reflect Irish company law, the Listing Rules of the Irish Stock Exchange and the UK Listing Authority and the Combined Code. The Group believes there are no significant differences between its corporate governance practices and the requirements of the NYSE