

Group Overview

a diversified financial services group

Significant progress on Group priorities

Priority	Progress
Capital <ul style="list-style-type: none"> Debt repurchase Balance sheet de-leverage 	<ul style="list-style-type: none"> Completed €1.7bn re-purchase of non-core tier 1 securities - increased equity tier 1 by €1bn Circa €37bn of non-core lending in 'run-down'; being UK intermediary mortgage loans and selected international corporate banking portfolios
Asset quality <ul style="list-style-type: none"> Rigorous management of asset quality 	<ul style="list-style-type: none"> Estimated loan impairment charge reflecting poorer outlook for Irish property and mortgage markets in particular
Funding <ul style="list-style-type: none"> Funding conditions gradually improving 	<ul style="list-style-type: none"> Deposit growth to €87bn despite intense competition <ul style="list-style-type: none"> Strength of brand and franchise Scale of distribution Increasing non Government guaranteed issuance Reducing net drawings from Monetary Authorities Balance sheet de-leverage
Costs <ul style="list-style-type: none"> Reduce absolute cost levels 	<ul style="list-style-type: none"> Rigorous control of all costs Significant reduction in people employed and compensation

Credit ratings

Rating Agencies	Long Term	Outlook	Short Term	Outlook	Government Guaranteed Deposits and Debt Securities
Standard & Poor's	A-	Stable	A-2	Stable	AA/Negative/A-1+
Moody's	A1	Stable	P-1	Stable	Aa1/Negative/P-1
Fitch	A-	Stable	F1	Stable	AA-/Stable/F1+
DBRS	AA (low)	Negative	R-1 (high)	Stable	AA (high)/Negative/R-1 (high)

Bol credit ratings as at 26 01 10

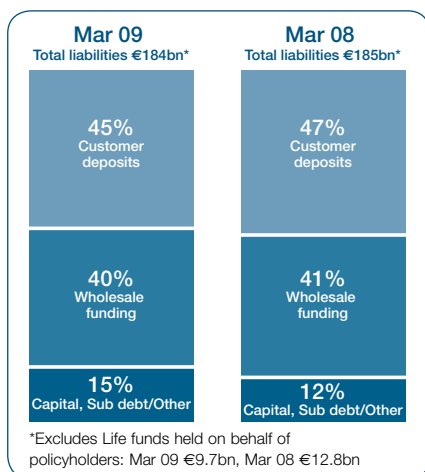
Group loan book

Profile of loans & advances to customers*		Group impairment charge by portfolio			
Sept 09 - €135bn Group loan book €135bn (before provisions of €3.5bn) at 30 Sept 09		<ul style="list-style-type: none"> Group impairment charge on loans and advances to customers for the 6 months ended 30 Sept 09 was €1.8bn (260 bps annualised) Loans and advances to customers**: <ul style="list-style-type: none"> 30 Sept 08 - €145bn 31 Mar 09 - €136bn 30 Sept 09 - €135bn 			
Residential mortgages - 44% / €60bn	RoI 21% UK 23%	Impairment charge by portfolio - €m			
Property & construction - 26% / €35bn	RoI 12% UK 13% RoW 1%	6 mths to 30 Sept 08	6 mths to 31 Mar 09	6 mths to 30 Sept 09	
Non property SME / corporate - 26% / €35bn	RoI 11% UK 8% RoW 7%	Residential mortgages - Republic of Ireland - UK	15 3 12	112 57 55	142 96 46
Consumer (unsecured) 4% / €5bn	RoI 2.4% UK 1.6%	Non property SME / corporate	68	276	393
		Property / construction - Investment - Development/Landbank	124 5 119	642 138 504	1,135 106 1,029
		Consumer (unsecured)	60	138	117
		Total	267	1,168	1,787

*Note: Before balance sheet impairment provisions of €3.5bn

**Note: Before balance sheet impairment provisions of €0.8bn Sept 08; €1.8bn Mar 09 and €3.5bn Sept 09

Balance sheet funding



Challenging funding markets

- Volatile markets - collapse of Lehmans in Sept 2008
- Irish Government Guarantee for deposits and certain liabilities introduced in Sept 2008
- Prioritising gathering of customer deposits. Deposits at Mar 2009 in line with Mar 2008 (*constant currency*)
 - Higher than usual deposit inflows in quarter to Dec 2008 - these inflows unwound in Jan / Feb 2009 following rating agency actions and nationalisation of Anglo Irish Bank. Deposit levels stabilised in late Feb / early Mar 2009
- Wholesale funding - €74bn Mar 2009; €75bn Mar 2008
 - 27% of wholesale funding has a maturity greater than one year at Mar 2009
 - €8.4bn term funding raised during the year to Mar 2009 - weighted average duration 1.7 years, cost of 3mth euribor + circa 66bps
- Enhancing contingent liquidity position - eligible collateral pool of €49bn at Mar 2009

Funding metrics

	Mar 2009	Sept 2008	Mar 2008
Loan to deposit ratio	161%	159%	157%
Customer deposits as % of total assets*	45%	47%	47%
Wholesale funding as % of total assets*	40%	41%	41%
% customer loans funded by customer deposits & term funding (funding with remaining maturity >1yr)	77%	79%	82%
Term funding > 1 year, subordinated debt and customer deposits/loans & advances to customers	83%	84%	87%

*Note: Total assets excluding BoI Life policyholder assets

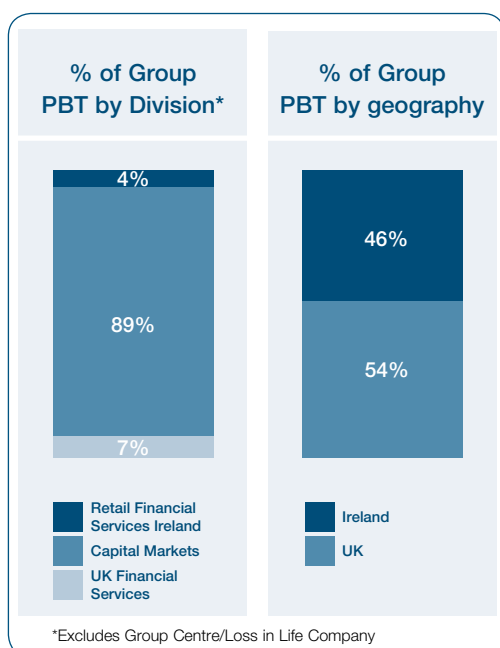
Capital position

Capital – Basel II	Mar 09		Mar 08	
	%	€bn	%	€bn
Equity tier 1	6.2%	6.5	5.6%	6.6
Core tier 1 capital	9.5%	10.0	5.7%	6.6
Tier 1 capital	12.0%	12.6	8.1%	9.4
Total capital	15.2%	16.0	11.1%	13.0
RWA		105		117

Strengthening capital position

- Government supported recapitalisation - investment of €3.5bn in 8% coupon preference stock and warrants over 25% of enlarged ordinary stock
- Balance sheet de-leverage - ceased intermediary-driven UK mortgage distribution and exiting non-core international lending niches (Jan 2009)
- Issued £450m lower tier 2 capital in Aug 2008 and redeemed €600m lower tier 2 capital in Dec 2008
- Cancelled dividend on ordinary stock
- Actively managed risk-weighted assets

Year end Divisional performance



Retail Ireland: PBT ↓97%

- Retail businesses were adversely impacted by the slowdown in the pace of economic activity in Ireland, the downturn in residential and commercial property markets, the poor environment for sale of investment products and higher funding costs compared to the prior year
- A strong cost performance was achieved with costs down by 5%

Life: PBT ↓129%

- Significant increase in investment variance resulting in loss before tax of €31m in Life Company

Capital Markets: PBT ↓27%

- Operating profit in Corporate Banking was strong, driven by volume growth and improved margins. However the rise in impairment charge resulted in PBT reducing by 34%
- Global Markets PBT up 11% - driven by growth in third party customer business together with good positioning in a falling interest rate environment

UK Financial Services: PBT ↓97% (Sterling)

- UK Business Banking performance was adversely affected by a significant increase in impairment charge
- Mortgage Business PBT down 30% on the prior year amid lower levels of redemption income, higher funding costs and increased impairment charge. Arrears across the mortgage portfolio have increased, however the portfolio continues to significantly outperform industry averages
- Performance in Consumer Financial Services was in line with the prior year partially reflecting ongoing investment in our Post Office Financial Services relationship

Contact details

Customer Group Funding Team
Bank of Ireland Global Markets,
Colvill House, Talbot Street
Dublin 1, Ireland

Tel: + 353 1 609 3212
Freephone: 1800 30 30 03 (within ROI)
Email: corporateteam@boigm.com
Web: www.boi.ie/europeoffering