

Group Overview

Delivering Group stability - continuing progress on key priorities

Priority	Progress
Capital <ul style="list-style-type: none"> Plans in place to meet revised Financial Regulator capital targets 	<ul style="list-style-type: none"> Liability management initiatives supplemented capital: <ul style="list-style-type: none"> Equity tier 1* 5.8%; Core tier 1* 9.3%; Tier 1* 10.2%; Total capital* 13.4% - 31 Dec 2009 Financial Regulator set specific targets of minimum equity tier 1 of 7% and core tier 1 of 8%
Impairment <ul style="list-style-type: none"> Re-affirm impairment charge guidance on non-NAMA assets 	<ul style="list-style-type: none"> Re-affirming guidance of €4.7bn impairment charge for 3 years to 31 Mar 2011 on non-NAMA assets - independently validated by Oliver Wyman Impairment charge expected to have peaked on non-NAMA assets in 2009 - with progressive reductions expected in each of 2010, 2011 and 2012
Funding <ul style="list-style-type: none"> Disengage from Government guarantee schemes in prudent and safe manner 	<ul style="list-style-type: none"> Customer deposits up 2% to €85bn (31 Dec 2009 on 31 Mar 2009) Liquid Asset portfolio down €7bn to €31bn (31 Dec 2009 on 31 Mar 2009) Wholesale funding down from €74bn to €61bn (31 Dec 2009 on 31 Mar 2009) Term funding 32% of wholesale funding (31 Dec 2009)
Net interest margin <ul style="list-style-type: none"> Aim to achieve net interest margin in excess of 175bps by 2013 	<ul style="list-style-type: none"> Re-pricing loans and deposits Negative impact on NIM of higher funding costs in short term
Costs <ul style="list-style-type: none"> Aim to achieve cost/ income ratio below 50% by 2013 	<ul style="list-style-type: none"> Costs down 11% - 9 months to 31 Dec 2009 vs 9 months to 31 Dec 2008 Staff levels down c. 2200 since Mar 2008
Customer <ul style="list-style-type: none"> Supporting customers and open for business 	<ul style="list-style-type: none"> Strong relationship approach across all customer segments Robust support processes in place for challenged consumers and SMEs From Apr to Dec 2009 - €1.7bn in mortgages advanced; €2.3bn loaned to SMEs (80% of loan applications approved) Well positioned to support customers through current period and economic recovery

*Note: Pro-forma at 31 Dec 2009 reflecting impact of debt for debt exchange Feb 2010

Delivering Group stability - National Asset Management Agency

Profile of assets held for sale to NAMA 31 Dec 2009				
	ROI €bn	UK €bn	RoW €bn	Total €bn
Land	3.1	1.0	-	4.1
Development	2.3	2.0	0.1	4.4
Associated (mainly investment property)	2.3	1.2	0.2	3.7
Total	7.7	4.2	0.3	12.2

- Eligible Bank Assets classified as "loans held for sale to NAMA" of c. €12.2bn (gross)
 - Phased transfer in 2010
 - 70% landbank/ development, 30% associated loans
 - €2.8bn impairment provisions at 31 Dec 2009
- €1.9bn first tranche transfer early Apr 2010 (Consideration €1.2bn)
- Loss on disposal on first tranche may not be representative of impact of total disposals to NAMA
 - though applying similar level of discount would result in gross loss of €4.4bn - within previous guidance
- Loss on sale of assets to NAMA function of quantum, mix and discount applied - actual loss only known after transfer of final loans
- Retained property & construction loans by the Group (post NAMA):
 - €2.8bn landbank/ development loans
 - €20.8bn investment loans

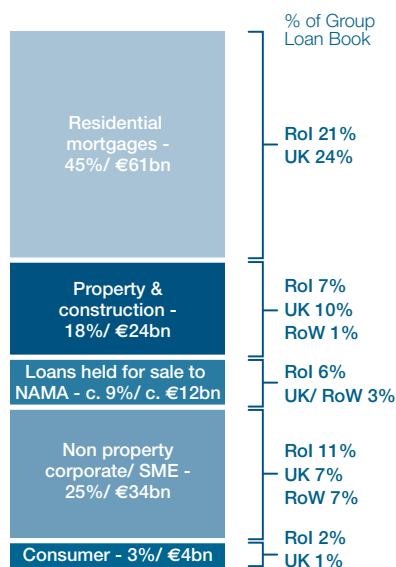
Credit ratings

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 31 Mar 10

Group loan book

Profile of total loans* - €135bn at Dec 2009



*Note: Before balance sheet impairment provisions of €5.8bn at 31 Dec 2009

Impairment charge by portfolio

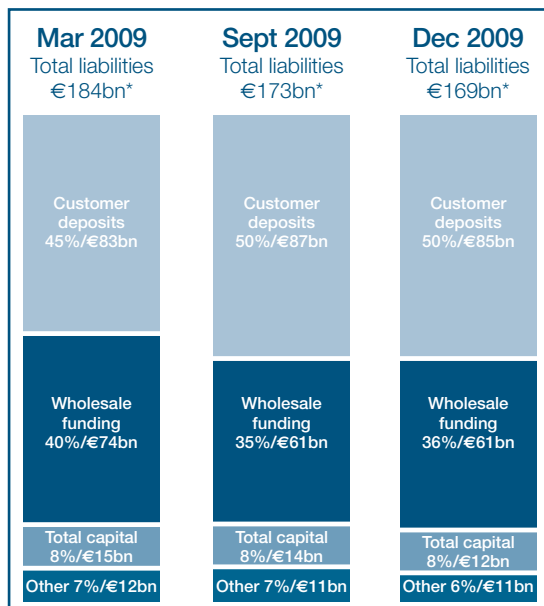
	Total loans At Dec 2009 €bn	Impairment charge on loans and advances to customers by portfolio 9 mths to Dec 2009	
		€m	bps (annualised)
Residential mortgages	61	237	52
- Republic of Ireland	29	165	79
- UK	32	72	30
Non property corporate/ SME	34	659	250
Property/ construction	36	2,993	1,125
- Investment	25	437	249
- Landbank/ Development	11	2,556	2,831
Consumer	4	166	421
Total	135*	4,055**	396

Of the €4,055m impairment charge in the 9 months to 31 Dec 2009:

- €2.2bn relates to assets held for sale to NAMA
- €1.8bn relates to Bank of Ireland retained portfolio

**Note: Excludes impairment charge on other financial assets of €2m in 9 months to 31 Dec 2009 (€76m in 9 months to 31 Dec 2009; €78m in 12 months to 31 Mar 2009)

Balance sheet funding



- Deposits increased by 2% Dec 2009 vs Mar 2009 despite intense competition and pressure on international deposits
 - Distribution, strength of brand and stable franchise driving deposit growth
 - Retail Ireland - customer deposits up 4% (Dec 2009 vs Mar 2009)
- Quantum of wholesale funding at Dec 2009 reduced to €61bn from €74bn at Mar 2009
 - Increase in customer deposits
 - Reduction in liquid assets of €7bn as wholesale funding is termed out

Funding metrics	Mar 2009	Sept 2009	Dec 2009
Customer deposits	€83bn	€87bn	€85bn
Group Loans (incl. NAMA Assets) / deposit ratio	161%	152%	152%
Group Loans (excl. NAMA Assets) / deposit ratio	-	-	141%
Core portfolio loan / deposit ratio**	-	-	105%
Term funding (wholesale funding with a maturity of 1 year or greater) as a % of overall wholesale funding	27%	33%	32%

*Note: Excludes Life funds held on behalf of policyholders: Mar 2009 €9.7bn, Sept 2009 €11.4bn, Dec 2009 €11.7bn
**Note: Core loan portfolio excludes loan portfolios placed in de-leverage of €34bn and NAMA transfers of c. €12bn

Capital position

Capital – Basel II	Mar 2009		Sept 2009		Dec 2009*	
	€bn	%	€bn	%	€bn	%
Equity tier 1 capital	6.5	6.2	6.6	6.6	5.3	5.3
Core tier 1 capital	10.0	9.5	10.2	10.1	8.8	8.9
Tier 1 capital	12.6	12.0	11.1	11.0	9.7	9.8
Total capital	16.0	15.2	14.6	14.5	13.2	13.4
RWA (€bn)	105		101		98	

*Note: Dec 2009 ratios reflect payment of coupon on 2009 Preference Stock in shares in lieu of cash dividend

- Liability Management initiatives supplemented capital position
 - Re-purchase of tier 1 securities Jun 2009 generated €1bn of equity tier 1 capital
 - Lower tier 2 debt-for-debt exchange Feb 2010 generated €405m of equity tier 1 capital (benefit not included in Dec 2009 capital calculations). Pro-forma equity tier 1 ratio including debt for debt exchange (Feb 2010) of 5.8%
- Sharp increase in impairment charge resulted in an overall reduction in capital
- Decrease in risk weighted assets due to higher quantum of impaired loans and increased impairment provisions
- Actively exploring options to strengthen capital position
- Basel III proposals subject to consultation process and industry impact analysis. Development of proposals to final form being closely monitored

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