



Merrion Irish Stock Market Conference

6th June 2007

Forward-looking statement

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 Group's 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 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.

Year end highlights

	March 2007	March 2006	Change
Underlying profit before tax	€1700m	€1393m	↑ 22%
Underlying earnings per share	144.6c	118.5c	↑ 22%
Profit before tax	€1958m	€1524m	↑ 28%
Earnings per share	172.2c	128.5c	↑ 34%
Impairment losses	9bps	11bps	↓ 2bps
Dividend	60.4c	52.5c	↑ 15%
Return on equity	23%	24%	↓ 1%
Cost / income ratio	54%	57%	↓ 3%
Tier 1 capital ratio	8.2%	7.5%	↑ 0.7%

Note: Underlying excludes the impact of non-core items: gain on disposal of business activities/property; gross-up for policyholder tax in the Life business; investment return on treasury shares held for policyholders; hedge ineffectiveness on transition to IFRS and cost of restructuring programme.

Bank of Ireland Group



Year end highlights

% of Group PBT by Division



Strong performance across the Group

- Retail Ireland PBT +27%
- Life operating profit +29%
- Capital Markets PBT +21%
- UK Financial Services PBT +26%

% of Group PBT by geography



Strategic Transformation Programme ahead of schedule

- Significantly exceeded annual target
 - €95m sustainable savings achieved in current year versus €75m target
- Programme to complete 1 year ahead of schedule and achieve annualised savings of €140m versus €120m

Delivery on a clear and proven strategy

	12 months to 31 March 2005	12 months to 31 March 2006	12 months to 31 March 2007
Underlying PBT	+ 5%*	+ 16%	+ 22%
Underlying EPS	+ 7%*	+ 16%	+ 22%
Impairment losses	11bps*	11 bps	9bps
Dividend	+ 10%	+ 15%	+ 15%
Return on equity	23%	24%	23%
Cost / income ratio	60%	57%	54%

Note: *Irish GAAP

Restructured, refocused and revitalised

- Delivering on a clear and proven strategy
- Considerable progress made
 - New operating model established
 - Strengthened our leading domestic franchise
 - Revitalised and refocused our UK Division
 - Established international platforms and delivering growth
- Significant growth potential across the Group

Economic fundamentals remain strong in our core markets

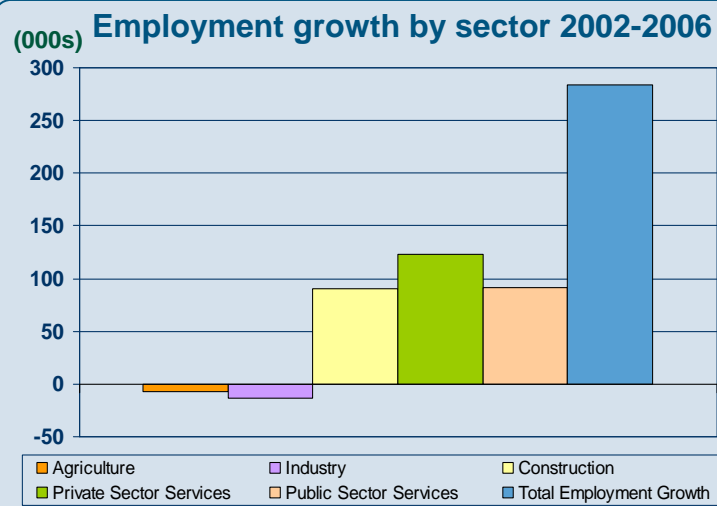
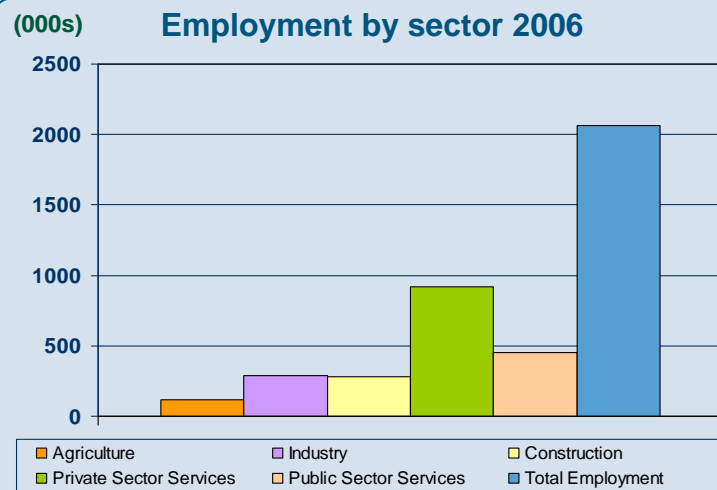
Ireland

- Strong economy – fastest growth in eurozone
 - 6% (f) 2007; 5% (f) 2008
- GDP broadly spread – employment and output
- Significant job creation (+4%) and rising household incomes (+8%)
- High savings ratio (+10.5%)
- Low inflation (+2.9% HICP)
- Housing market softening as anticipated but outlook remains positive
- Positive longer-term outlook

United Kingdom

- Strong economy - growth above eurozone
 - 2.7% (f) 2007; 2.4% (f) 2008
- Strong housing market – moderating modestly
- Low unemployment

Irish economy broadly spread



Going forward

- Our priorities:
 - 1 Drive growth from our leading Irish franchise
 - 2 Significantly reposition the geographic earnings profile of the Group: >50% international
 - Grow United Kingdom as our second core market
 - Drive significant international expansion with a particular US focus
 - 3 Maximise efficiency from new operating model
 - Achieve mid 40's% cost / income ratio over medium term
- Positive outlook
- Strongly positioned

Priority 1: Drive growth from our leading Irish franchise

- **Business Banking: *GROWTH DRIVER***
 - Significantly strengthened market position
 - Drive growth in recruitment and cross-sales
- **Wealth Management: *GROWTH DRIVER***
 - Very strong market positions
 - Invest in people, product, innovation and technology
- **Consumer Banking: *PROTECT & STRENGTHEN***
 - Continue to drive growth in mortgages and consumer lending
- **Efficiency: *CONTINUED IMPROVEMENT***
 - Reduce cost / income ratio
- **Customer focus: *DIFFERENTIATE***
 - Increase front-line
 - New and re-modelled branches
 - Investment in on-line platform
 - Drive customer recruitment and retention

Priority 2: Significantly reposition the Group's geographic earnings profile

UKFS – drive growth in our second core market

- **Business Banking: *GROWTH DRIVER***
 - Broaden distribution - invest further in new Business Bankers
 - Broaden product capability – increase “share of wallet”
- **Mortgages: *EXTEND MARKET POSITION***
 - Extend product range – professional buy-to-let
 - Extend distribution – through POFS
 - Improve efficiency – web-enabled delivery
- **Consumer Financial Services: *GROWTH DRIVER***
 - Deepen partnership with the UK Post Office

UKFS: Consumer Financial Services

Growing relationship with UK Post Office

- Contribution in year to March 2007 £41m
- POFS break-even for H2

Post Office Financial Services (POFS)

- Over 1m customers
- Significant sales traction across all product lines
- Multi-channel recruitment
- Sales effectiveness embedded in over 200 branches
- Excellent insurance renewal experience
- 650 ATMs installed

First Rate Exchange Services (FRES)

- The leading provider of retail foreign exchange services

POFS contract extended to 2020

- Focus on 3,000 high potential branches
- Dedicated financial service counters in 370 branches
- Programme of branch refurbishment
- Dedicated advisors in high potential branches
- Additional products
- Post Office website investment
- Roll-out of 4,000 ATM estate

Our partnership with the UK Post Office

- a growing force in the provision of consumer financial services

Growing market share

- Insures 1 in 50 cars
- Insures 1 in 200 homes
- 6% share of new IASA savings flow
 - 2% share of the ATM network
- 30% share of personal foreign exchange

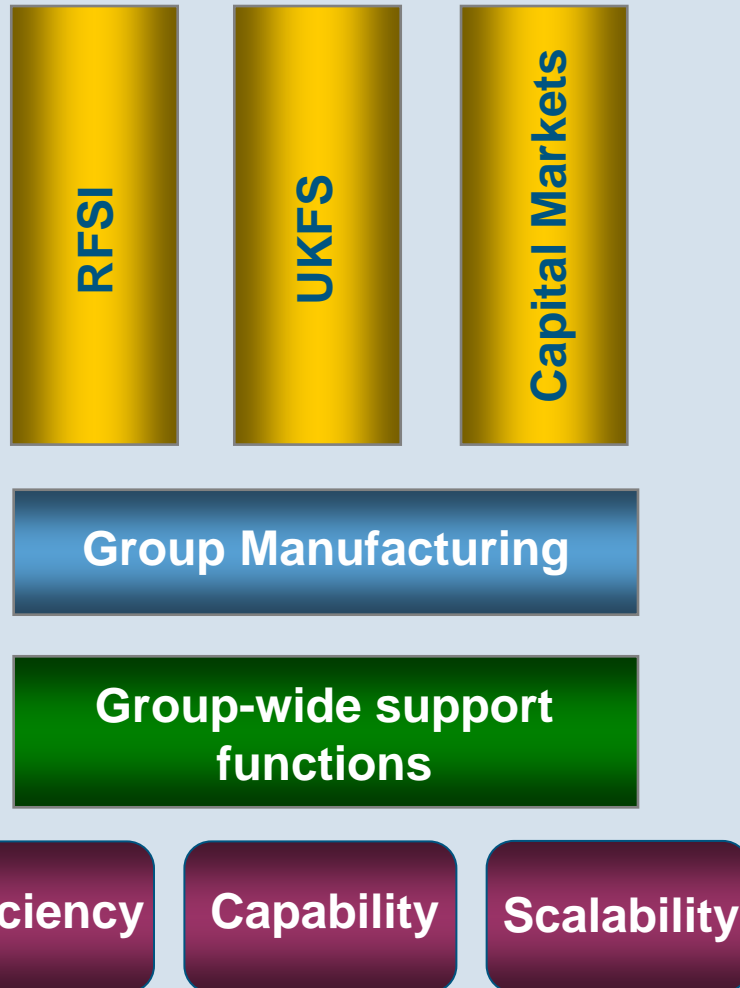
Priority 2: Significantly reposition the Group's geographic earnings profile

Leveraging our strengths in Capital Markets

- **Corporate Banking: *GROWTH DRIVER***
 - Expand existing product segments, enter new growth segments
 - Invest in people: talent and capability
 - Continue to 'move up the tombstone' and drive cross-sales
- **Global Markets: *PARTNERING FOR GROWTH***
 - Partner customer growth across Group
 - Focus on innovation and customer revenues
 - Maximise performance of Group's balance sheet
- **Asset Management: *STABILISE AND GROW***
 - Reduced profit impact
 - Grow traditional / alternative investment capability
- **Geographic expansion: *US FOCUS IN NICHE SKILL-BASED SEGMENTS***

Priority 3: Maximise efficiency through the new Group operating model

Group operating model



- **Cost culture embedded**
- **Group Manufacturing platform established**
 - 4,500 employees
 - Driving operational processing efficiencies by consolidating and standardising like activities
 - Credit operations
 - Contact centres
 - Payments
 - IT
 - Banking operations
 - Group services
 - Outsourcing a key enabler
 - Facilities management, technology, procurement, learning
- **Consolidation of support functions**

Looking forward over the medium term



Strong and sustained profit growth

- Drive growth from our leading Irish franchise
- Significantly reposition the geographic earnings profile of the Group
 - Focus on UK and US
 - >50% international
- Maximise efficiency from new operating model
 - Achieve mid 40's% cost / income ratio over medium term



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