



UBS
Global Financial Services Conference
“M&A: Curse or Cure?”

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Forward Looking Statement

This document contains certain forward-looking statements as defined in the US Private Securities Litigation Reform Act of 1995 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. 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.

Bank of Ireland

Bank of Ireland Group

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Retail Financial Services Ireland

Richie Boucher

- Mortgages
- Personal Banking
- Business Banking
- Wealth Management

UK Financial Services

Des Crowley

- Mortgages
- Business Banking
- Consumer Financial Services

Capital Markets

Denis Donovan

- Corporate Banking
- Global Markets
- Asset Management
- Corporate Finance

% PBT by Division

- 44% RFSI
- 24% UK Financial Services
- 32% Capital Markets

% PBT by Geography

- 60% Ireland
- 25% UK%
- 15% Rest of world (*primarily US*)

Shareholder distribution

- 15% UK
- 18% Ireland
- 20% Europe & RoW
- 20% US
- 27% Retail

Consistent Delivery

Profit growth: +28%*

15 years

Consecutive profit growth

Dividend growth: +15%

14 years

Consecutive dividend growth

ROE: 25%

13 years

Consecutive ROE $\geq 20\%$

Loan Impairment: 9bps**

12 years

Consecutive loan impairment ≤ 20 bps

All historical growth figures to 30 September 2006

* Underlying PBT growth

** Annualised loan loss figure

Our vision remains

Our Vision:

“To be the number one bank in Ireland with dynamic businesses growing internationally”

Our Strategy:

- Maximise returns from our leading position in Ireland
- Substantially grow our businesses in the UK
- Grow our portfolio of niche, skill-based businesses internationally

Maximising returns from leading position in Ireland

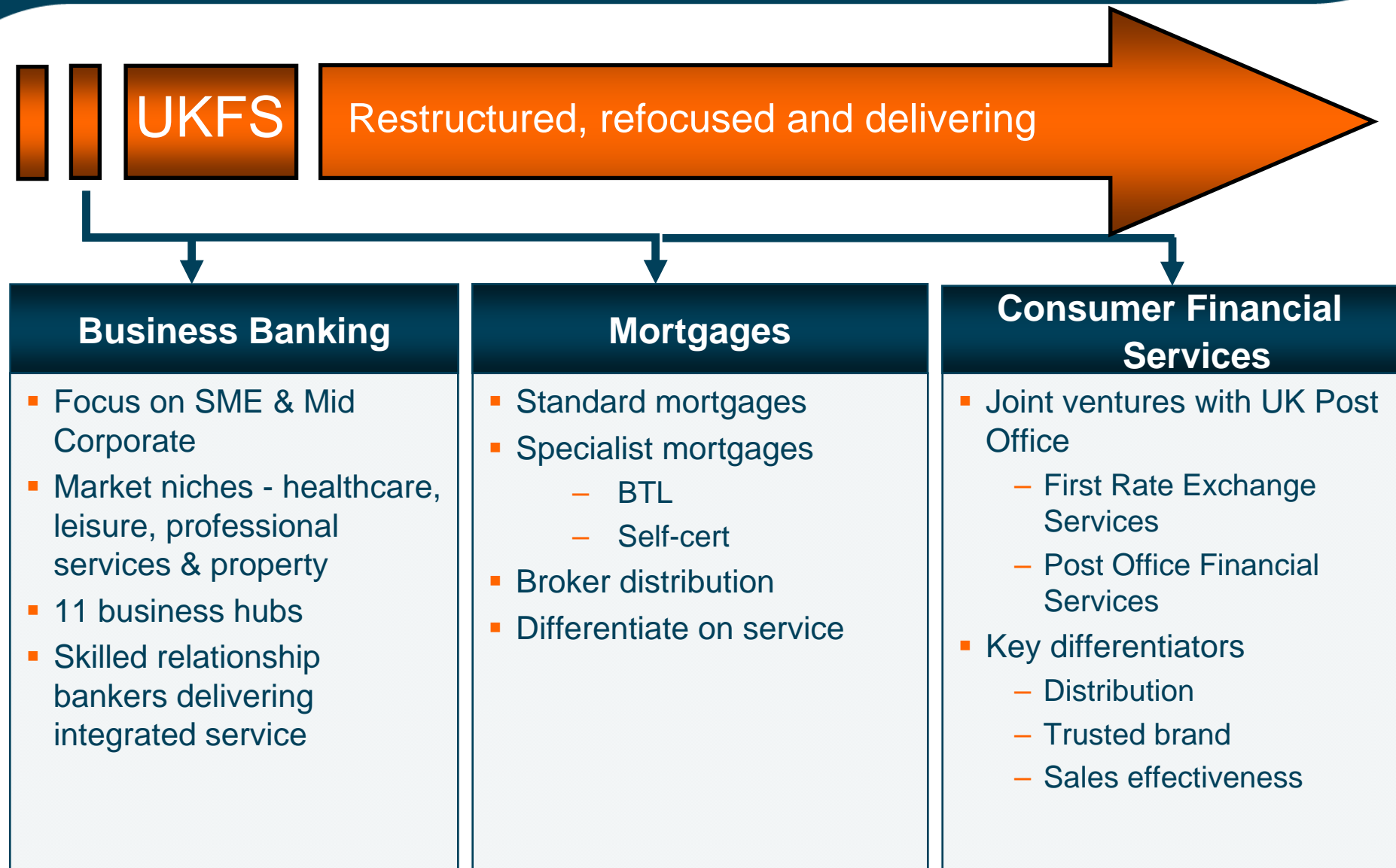
Retail Financial Services
Ireland

Capitalising on broadest
'footprint' in the Irish market

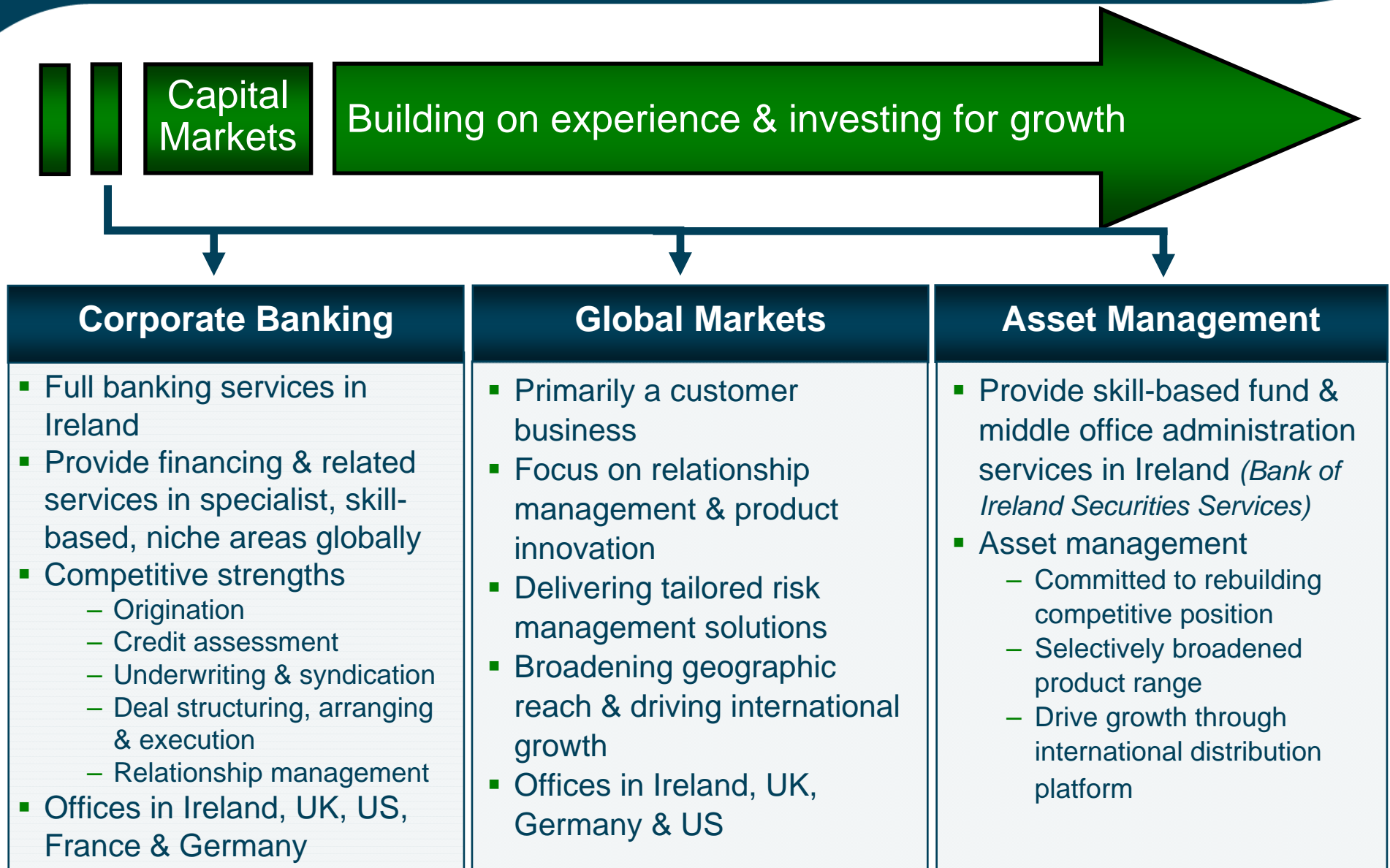
Competing from a position of strength

- Leading distribution capability
 - Branch network
 - Intermediary propositions
 - Direct channels
- Broadest product offering
 - Mortgages & consumer banking
 - Business Banking
 - Wealth Management
 - Bank of Ireland Life
 - Private Banking
- Delivering service excellence
 - Consistency
 - Best Practice
 - Focus
- Highly engaged staff

Substantially grow our businesses in the UK



Grow niche skill-based businesses internationally



M&A: Curse or cure?

- M&A is not a strategy in itself but a key enabler of strategy
 - Business bolt-on acquisitions
 - Team acquisitions
 - Joint ventures

- Our strategy - largely organic growth with bolt-on acquisitions of businesses and teams to provide skill, distribution or capability

- “Other side of the coin” – divestments
 - UK business significantly restructured with disposal of non-core activities

Retail Financial Services Ireland

Acquisitions as a complimentary enabler of strategy

Focus	Strategic initiative	Strategic benefit
<p><u>Mortgages</u></p> <ul style="list-style-type: none"> ▪ Distribution 	<p>Acquired ICS Building Society in 1985</p>	<ul style="list-style-type: none"> ▪ Broadened mortgage distribution capability through broker channel ▪ Leading mortgage provider in Ireland ▪ 19.5% market share today (Number 1) ▪ 31% distributed through intermediary channel
<p><u>Insurance/ Pension</u></p> <ul style="list-style-type: none"> ▪ Distribution ▪ Product Capability 	<p>Acquired New Ireland Assurance in 1997 (<i>fully integrated in 2001</i>)</p>	<ul style="list-style-type: none"> ▪ Broadened pension product capability to include group pension capability ▪ Broadened distribution capability through broker channel ▪ Bank of Ireland Life ranked no.2 in life and pensions – 26% market share ▪ 35% distributed through intermediary channel

We are number 1 or 2 in all key product lines in Ireland

Capital Markets

Modest acquisitions as a fast-track alternative to organic growth

Focus	Strategic initiative	Strategic benefit
<p><u>Corporate Banking</u></p> <ul style="list-style-type: none"> Product capability 	<ul style="list-style-type: none"> Acquired Burdale in 2005 (comprehensive asset based lender) Acquired Media Team 	<ul style="list-style-type: none"> Broadened product capability in attractive market segment Highly successful integration – doubled profit since acquisition Provided solid foundation for geographic expansion Broadened product capability in attractive market segment Extended geographic exposure to UK
<p><u>Asset Management</u></p> <ul style="list-style-type: none"> Product capability 	<ul style="list-style-type: none"> Acquisition of Iridian in 2002 (US equity manager) – own 92% Acquired Guggenheim Advisors in 2006 (Hedge fund of funds manager) – own 71.5% Established 50% joint venture with Paul Capital in 2006 	<ul style="list-style-type: none"> Broadened product capability Maximise potential of international distribution platform Full service offering to clients

Building niche, skill-based businesses internationally

UK Financial Services

Alternatives to M&A

Focus	Strategic initiative	Strategic benefit
<p><u>Mortgages</u></p> <ul style="list-style-type: none"> ▪ Distribution 	Acquired Bristol & West Building Society in 1997 with challenged deposit base (subsequently disposed of branch network & investment advice business)	<ul style="list-style-type: none"> ▪ Significantly increased distribution capability in mortgages – established broker brand
<p><u>Consumer Financial Services</u></p> <ul style="list-style-type: none"> ▪ Distribution 	Established joint venture with UK post office – Post Office Financial Services in March 2004 for the distribution of personal financial service products through the post office branch network. Product focus primarily on savings and insurance products	<ul style="list-style-type: none"> ▪ Bank of Ireland provides product and sales capability ▪ Post Office provides extensive distribution and trusted brand ▪ Strong performance since launch: <ul style="list-style-type: none"> – Over 750,000 customers (Jan 2007) – 50,000 new customers per month – Strong product demand – Financial performance on track – Building a sustainable insurance and savings business
<p><u>Consumer Financial Services</u></p> <ul style="list-style-type: none"> ▪ Distribution 	Established joint venture with UK post office – First Rate Exchange Services for the distribution of personal foreign exchange services	<ul style="list-style-type: none"> ▪ FRES strongly positioned with 30% market share ▪ Post-tax profit for 6 months to September 2006 £19m

To significantly grow our business

M&A is a cure

- Bank of Ireland has an organic growth strategy with bolt-on acquisitions and joint ventures supporting implementation
- Current strategy not growth constrained, therefore use M&A as an enabler to fast-track growth and/or enhance product distribution or capability

Retail Financial Services	UK Financial Services	Capital Markets
<ul style="list-style-type: none"> ■ ICS Building Society <ul style="list-style-type: none"> - Mortgage provider ■ New Ireland Assurance <ul style="list-style-type: none"> - Life & pensions products 	<ul style="list-style-type: none"> ■ Bristol & West Building Society ■ Joint ventures with UK post office <ul style="list-style-type: none"> - POFS - FRES 	<ul style="list-style-type: none"> ■ Burdale Comprehensive Asset Based Lender ■ Skill-based specialist lending teams ■ Alternative Investments

Value Creating Bolt-on Acquisitions & Joint Ventures

Presentation available on our website at: www.boi.ie/investor

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