

CORPORATE SOCIAL RESPONSIBILITY STATEMENT 2006

In Bank of Ireland Group, we recognise the importance of building and maintaining sustainable relationships with our stakeholders. In addition to Stockholders, these include customers, employees, regulators and business partners.

In last year's report, we described the policy and governance framework we have in place to underpin our Corporate Responsibility programme. These developments have achieved independent external recognition, including membership of the FTSE4Good index. Through this index, the FTSE Group provides recognition to companies that, in their view, manage their social, ethical and environmental impacts and are better positioned to capitalise on the benefits of responsible business practice.

During 2005/2006, further progress has been made in the following areas:-

PLAYING OUR PART IN THE MARKETPLACE

Quality customer service is a hallmark of the Bank of Ireland approach. In an increasingly competitive environment, this is a key differentiator for all Group businesses which are working on plans to enhance the customer experience under our programme entitled Changing for you.

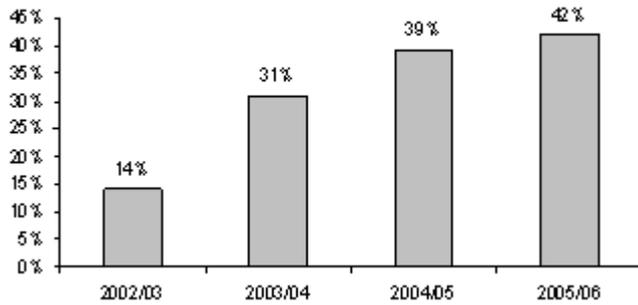
- In our Retail Financial Services Division, Changing for You aims to significantly enhance customers' experiences and achieve differentiation through excellent customer service. The programme comprises initiatives designed to reduce queues, enhance our Bank of Ireland 365 phone and online banking services and make our branches more user-friendly. In addition to this, 500 new customer service employees are deployed in front-line roles and extensive training and development for our people is underway to deliver top class customer service.
- In response to the changing profile of Irish society, Bank of Ireland launched its Migrant Worker Initiative in July 2005. This initiative included the translation of 10 key product/service brochures, and a welcome pack with information on account opening, into foreign languages (currently Polish, Russian and Chinese) These are available through our branch network and on our website. To reflect the growing diversity of our customers, 30 foreign language speakers have been recruited into key branch locations to better serve the needs of our evolving customer base.
- As part of our commitment to delivering excellent customer service, we have launched a Service First Excellence programme in all branches in the Republic of Ireland. Customer satisfaction scores on branch service are up 15% in the last two years and in our telephone/internet banking service, 9 out of 10 customers say that they would recommend the service to a friend.
- In our UK Division, we continued to develop a range of financial products specifically tailored for our Muslim customers. Newly introduced product options brought home ownership and investment opportunities to those traditionally excluded from property ownership in the UK.
-

"I believe passionately in the primacy of the customer. In Bank of Ireland we constantly strive to innovate around customer needs, put the customer first in the service equation and empower our people to deal fully with problems whenever they arise. All banks are not the same. I want customers to see the difference when they deal with Bank of Ireland."

Brian Goggin, Group CEO

PLAYING OUR PART IN THE WORKPLACE

% Best Practice Teams in Group



Our fourth successive Group Survey to measure Employee Engagement, took place in January 2006. An 'engaged' employee is someone who is fully committed to their role in the organisation. We know that engaged employees form better work teams, deliver more satisfying outcomes for customers and consequently for our business. Engaged teams also achieve a better working environment in which staff have more opportunities to achieve their potential. It is therefore encouraging to see that close to half of all teams in Bank of Ireland Group are in the 'Best Practice' category relative to an External Industry Benchmark. The chart opposite illustrates the improvement in the number of work teams, which feature in the 'best practice' category over the past four surveys.

- In December, we announced a new Learning model which will deliver high quality, consistent training to staff in a more timely and cost effective way through a combination of e-learning and instructor led training. This will provide staff with control over their career development by providing better access to training.
- As part of the Group's Strategic Transformation Programme, employees leaving the group are provided with an Employee Orientation Outplacement Service. Participants select the module that best addresses their current needs and future plans. The modules include 'Start your own business', 'Career Continuation' and 'Retirement Success'. There has been very positive feedback from participants on the benefits and practical application of the service.
- At Bank of Ireland we focus on the ability of our employees and are not put off by disabilities. This is evidenced by our I Can recruitment programme and our work with disability advocacy groups. Bank of Ireland Customer Operations has a long track record of recruiting people with a disability and in recognition of this was awarded the 'Overall O2 Ability Award Best Practice - Private Sector' Company in 2006. During 2006/07 we will provide six-month, mentored, work experience placements through the WAM (Willing Able Mentoring) programme, which aims to ease and accelerate the transition of graduates with disabilities to careers appropriate to their skills and abilities.

"Bank of Ireland Customer Operations is outstanding for the depth of its commitment to equality for people with disabilities. Its policies have been driven forward with an impressive energy that seems to permeate the whole organisation, from the board and top management through the staff and outwards to the broader community. It embodies an understanding that inclusion is good for business, good for morale and good for society."

Judging Panel, O2 Ability Award Judges

PLAYING OUR PART IN THE COMMUNITY

- Bank of Ireland employees continue to demonstrate their commitment and support for charitable causes whether by raising funds or otherwise giving of their time and skills. The Bank operates a scheme, which matches staff fundraising efforts with a similar amount thus making such efforts even more effective. Over €950,000 has been disbursed by the matching fund over the last six years, benefiting a wide range of charities and community organisations. In addition, a high proportion of

employees make charitable donations on a regular basis through long-established payroll deduction schemes, which raise significant funds for projects in the Third World and for the St. Vincent de Paul Society.

- As the Millennium Scholars Trust (MST) enters its sixth year, it has awarded over 300 scholarships and allocated over €5.5 million to date. To help these scholarship winners make a successful transition into third-level education, the Trust has created a mentoring programme whereby Bank of Ireland staff, who receive special training for the purpose, support the students in practical ways ranging from advice to help on the academic front. Almost 200 Bank of Ireland employees have volunteered their time in this regard. The Trust was honoured to receive the 2005 Business 2 Arts Award for its contribution to the arts, through the financial support of students studying fine art, film, dance and theatre. It also received a citation in the Chambers of Commerce of Ireland President's award to acknowledge its contribution to the community.
- Bank of Ireland UK has pledged stg£200,000 to build and develop an Academy in Witherwood - a disadvantaged area in South Bristol. The Witherwood community and its secondary school have experienced decades of disadvantage and challenging circumstances. The aspirations of young people and families are low. Unemployment levels are high and the attendance at the school is poor. Once the Academy is in operation the Bank will be giving staff the opportunity to work in this community, by mentoring and providing workshops to help develop the students skills.
- We actively participate in the The Schools' Business Partnership a menu of programmes run by Business in the Community Ireland. The Partnership has been developed to address key educational issues for disadvantaged schools across the country. One of the programmes involves our employees in one to one mentoring with individual students. These mentoring relationships provide support and guidance to students and foster a belief in their own ability to achieve and understand the benefits of completing their second level education.

"My mentor is always there if I need somebody who is not a teacher or a parent to talk to. She is a really good friend who is always trying her hardest to get me where I want to go in life."

Mentored student, Schools Business Partnership.

PLAYING OUR PART FOR THE ENVIRONMENT



- In 2005 we put in place a new Group-wide Environmental Management System (EMS) to establish baseline data regarding our impacts on the environment. During 2006/7 we will establish targets and put a programme in place to achieve them.
- In November 2005 the Group's Customer Operations Centre successfully achieved certification to ISO14001. This is the first time that an Irish Financial Services Company was awarded this accreditation. It recognises our demonstrated focus and commitment to the continual improvement of environmental management.
- In May 2005, Bank of Ireland Global Markets became the first domestic bank to develop a capability in the new emissions market aimed specifically at the Irish Market. Through the EU Emissions Trading Scheme (EUETS) the Bank provides essential transaction and hedging services to Irish

companies working with the National Allocation. The scheme arose from the Kyoto Protocol, with the aim of limiting the global emissions of carbon dioxide. To date, trades totalling circa half a million tonnes of CO2 have been transacted.

- The Bank continues to fund the development of renewable energy, waste and water management. Current lending is in the order of €85m supporting, amongst others; wind-farms, small scale hydro-electric and waste to energy facilities.
- For the second year running the Group completed the Business in the Community Environmental Index, and showed improved results.

"We are delighted to write and congratulate Bank of Ireland Group for taking part in Business in the Community's 10th Environment Index. Your participation reinforces your company's leadership and transparency in managing, measuring and reporting on your business practices."

Business in the Community

In summary, 2005/06 marked further progress in our Corporate Responsibility Programme. The Group's activities in the four key areas of Marketplace, Workplace, Community and Environment have received external recognition and accreditation and we look forward to reporting continued progress in the coming year.