

CORPORATE SOCIAL RESPONSIBILITY STATEMENT 2007

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.

The Group's Corporate Responsibility Programme has received considerable 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 2006/2007, further progress has been made in the following areas:-

PLAYING OUR PART IN THE COMMUNITY

- In Bank of Ireland Group, we have a strong and committed tradition of contributing to the communities in which we make our living. We have always participated actively and supported community and charity activities at a local and national level in all of our markets. During 2006, a major review on Corporate Giving was completed in the Group to assess the impact and relevance of our overall portfolio of community activities. One of the main findings was that valuable work being done by our employees in their communities could be enhanced if encouraged and supported by the Bank. The best example of this volunteering ethos in recent times was during Special Olympics World Games in 2003, where over 1,000 Bank of Ireland employees participated as volunteers. This review has led to the reform of the overall portfolio and the launch of an exciting new initiative called "Give Together".
- "Give Together" is a community support initiative based on the strong ethos of volunteering in our workforce and the fact that nowadays the most scarce and valuable resource is time. This initiative facilitates our employees who wish to volunteer their time and support causes that are important to them. As part of it, Bank of Ireland provides one day's leave to every employee each year to volunteer their time to a cause of their choice. We have also put in place an annual fund which allows the Bank to contribute to employee fundraising achievements and to support these endeavours. This new direction in Corporate Giving in the Group, gives employees the freedom to choose which charitable causes or community organisations receive support, rather than these decisions being made centrally, as in the past.
- As the Millennium Scholars Trust (MST) enters its eighth year, it has awarded over 400 scholarships and allocated over €6.6 million to date. The self liquidating trust of €12.7m will continue to award scholarships up to 2009 and will support students up to 2013. The Trust assists many students facing economic, social and other barriers to achieving their education potential. 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.
- 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. This programme was awarded "Best Community Based Project" in the Chambers Ireland President Awards for CSR in 2006.

- Bank of Ireland UK has agreed a five-year commitment of stg£200,000 to build and develop an Academy in Withywood - a disadvantaged school in South Bristol. As part of this, our employees are helping the students in the 'Life Skills' part of their school curriculum, through programmes being delivered at our offices in Temple Quay and the School.

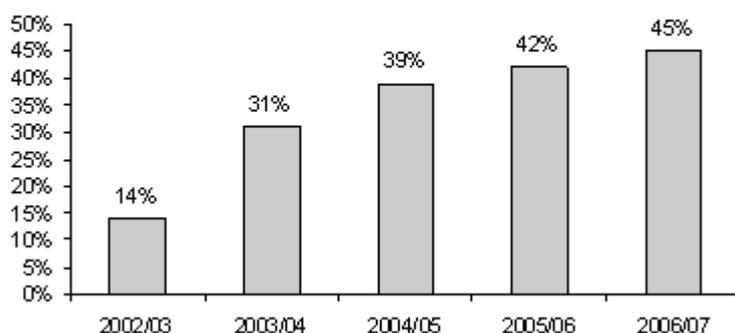
PLAYING OUR PART IN THE MARKETPLACE

- The most tangible and important aspect of our involvement with our retail customers is our extensive branch network - the largest in Ireland. As part of the Bank's Changing for You programme, we are committed to a significant investment programme in our retail branch network over the coming years, involving a number of new branches, expansion of existing branches and creation of new customer facing roles. The new design principles ensure that the branch becomes a more open space for customers to interact with our people, while significantly updating interiors into light, airy and welcoming spaces for customers to conduct their business.
- Bank of Ireland was the first bank in Ireland to deliver a programme of initiatives to address the financial needs of the growing migrant population in Ireland. There are an estimated 400,000 migrants currently in Ireland, representing approximately 10% of the population. Market research identified that the language barrier created difficulty when accessing banking services and in response Bank of Ireland launched its Migrant Worker Initiative. 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, 155 foreign language speakers have been recruited into key branch locations to better serve the needs of our customers. In some branches over 50% of new current accounts are being opened by foreign nationals living and working in Ireland. Bank of Ireland continues to enhance its offering to these new customers and last year launched a Polish Telephone Helpline, offering advice and assistance on all our products and services to this nationality, the largest group of migrant workers in Ireland.
- We recognise that appropriate regulation is essential in a well-functioning financial services industry. We welcomed the publication of the Consumer Protection Code by the Central Bank of Ireland in 2006. Bank of Ireland is committed to delivering quality customer service and through its Changing For You programme has positioned customers as the focal point for change across the organisation.
- The Group's Ethical Business Statement, which was published in 2004 sets out how we factor social, ethical and environmental considerations into our business decision-making. To deal with ethical issues as they arise, we established a process that allows for cases to be referred for decision to our Corporate Responsibility Committee.
- In our UK Division, we continued to develop a range of financial products specifically tailored for our Muslim customers, which has brought home ownership and investment opportunities to those traditionally excluded from property ownership in the UK. In 2006, our Alburaq product range was honoured with the Sh. Mohammad Bin Rashid Al Makhtoum Award for contribution in Islamic Finance.

PLAYING OUR PART IN THE WORKPLACE

- At Bank of Ireland Group we are committed to encouraging and supporting the education, training and development of our employees in line with their role, business requirements and individual development needs. In last year's report, we announced details of our new Group Learning Model that is now in place. We have introduced Learningzone which gives all Group Employees access to a new Learning Management System, self-managed learning paths, an individual role-based curriculum and a wide range of learning and educational programmes delivered via instructor-led courses and technology based solutions. Between June 06 and Jan 07 just over 11,500 individual students have participated in learning programmes.
- The results of our fifth Group Employee Engagement survey issued in February 2007. These results act as a catalyst for quality team discussions about different aspects of employee engagement and what it means to work for the Bank of Ireland Group. We have seen a consistent rise in engagement levels across the organisation and have experienced the positive impact it can have in supporting the growth of our business. Equally important is the difference it can have in making Bank of Ireland a great place to work. This year, 45% of teams in Bank of Ireland Group are classified as having "Best Practice" levels of engagement relative to a Best Practice External Industry Benchmark.

% Best Practice Teams in Group



- As part of our objective to ensure our people share with stockholders in the continuing success of the business, we launched our 3rd successive Save As You Earn (SAYE) scheme, which was taken up by 60% of eligible employees. SAYE 2007 allows employees to acquire Bank Stock at an attractively discounted price (25% in ROI, 20% in UK - the maximum allowed by the tax authorities in each case) and provides a convenient way to save.
- At Bank of Ireland we focus on the ability of our employees and have received recognition in the past for the employment of people with disabilities. Our I Can recruitment programme and associated work with disability advocacy groups received further recognition by being awarded with Best Workplace -Based Project in the Chambers Ireland President Awards for CSR in 2006. In last year's report, we provided information about the provision of six-month, mentored, work experience placements through the WAM (Willing Able Mentoring) programme. These placements were completed successfully in 2006 and a number have led to permanent positions within the Group. We are committed to continuing this programme with WAM during 2007/08.

PLAYING OUR PART FOR THE ENVIRONMENT

- Bank of Ireland Global Markets continues to develop a significant presence in the carbon markets, remaining the sole domestic bank in Ireland with a transactional capability. Traded volumes for the financial year exceed 1.2million tonnes of allowances. The Bank enjoys the distinction of being the first bank to design and transact a derivative based on the European Union Emissions Trading Scheme (EUETS) when it transacted an Average Rate Emissions Agreement with a large independent electricity generator. The Bank's activities in both the energy and emissions markets have led to increasing involvement in the nascent renewables market.
- During last year the Bank maintained its momentum in environmental project finance, within the growth sectors of renewable energy, waste and water management. Current lending stands at over €400 million.
 - In Ireland, the governmental incentive package for indigenous renewable energy has recently been bolstered by the Renewable Energy Feed in Tariff (REFIT) programme for electricity, Mineral Oil Tax Relief Scheme for Transport Biofuels and the greener homes initiative with grants for domestic renewable energy heating systems. Our Business Banking Team provides expertise in renewable energies - wind farms, hydro plants, biofuels and waste management.
 - Our UK based Global Project Finance team funded their first wind farm in North America and began financing a portfolio of wind farms in Italy and Germany. A debt package was arranged for new wastewater treatment facilities throughout Northern Ireland, and funding put in place for a suite of waste treatment facilities for Lancashire County to meet demanding EU requirements for household waste disposal. The Bank has also been mandated for upcoming schemes, including funding of a facility to treat all of Greater Manchester's household waste, which will be the largest waste project in UK.
- The Bank of Ireland Group environmental management system has now been running for two full years, providing increasingly accurate and valuable data, while also highlighting areas of good practice in the Group. One of the highlights includes a reduction of 20% in energy consumption in our single largest UK site. We have achieved this by working closely with our facilities management partner to ensure maximum efficient use of the plant in Bristol, which accommodates 1,300 employees.
- During 2006 the Bank of Ireland Group completed the Carbon Disclosure Project 4 (CDP), Business in the Community's Environment Index and the Northern Ireland Arena Survey. We are the only Irish financial services company to have participated in the CDP since its inception, which claims to be "The largest registry of corporate greenhouse gas emissions data in the world." These different indices have allowed us to benchmark our environmental performance against the foremost companies operating in the Irish and UK markets showing that, while improving, we still have work to do.
- 2006 saw a number of office moves in our UKFS Division. We have disposed of all unwanted furniture by working with CSR and Environmental organisation Green Standards. Through their Waste-to-Wonder™ programme we redistributed 107 tonnes of furniture to charities in the UK and abroad and recycled the remaining 15 tonnes. The Waste-to-Wonder™ programme ensured that, during these moves, no redundant items were disposed of to landfill.

In summary, 2006/07 marked further progress in the Group's Corporate Responsibility Programme. The Group's activities in the four key areas of Community, Marketplace, Workplace, and Environment have received external recognition and accreditation and we look forward to reporting continued progress in the coming year.

