

Group Overview

a diversified financial services group

Significant progress on Group priorities

Priority	Progress
Capital <ul style="list-style-type: none"> Debt repurchase Balance sheet de-leverage 	<ul style="list-style-type: none"> Completed €1.7bn re-purchase of non-core tier 1 securities - increased equity tier 1 by €1bn Circa €37bn of non-core lending in 'run-down'; being UK intermediary mortgage loans and selected international corporate banking portfolios
Asset quality <ul style="list-style-type: none"> Rigorous management of asset quality 	<ul style="list-style-type: none"> Estimated loan impairment charge reflecting poorer outlook for Irish property and mortgage markets in particular
Funding <ul style="list-style-type: none"> Funding conditions gradually improving 	<ul style="list-style-type: none"> Deposit growth to €87bn despite intense competition <ul style="list-style-type: none"> Strength of brand and franchise Scale of distribution Increasing non Government guaranteed issuance Reducing net drawings from Monetary Authorities Balance sheet de-leverage
Costs <ul style="list-style-type: none"> Reduce absolute cost levels 	<ul style="list-style-type: none"> Rigorous control of all costs Significant reduction in people employed and compensation

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 26 01 10

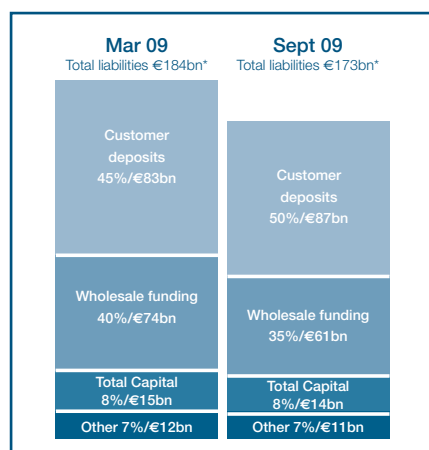
Group loan book

Profile of loans & advances to customers*		Group impairment charge by portfolio			
Sept 09 - €135bn Group loan book €135bn (before provisions of €3.5bn) at 30 Sept 09		<ul style="list-style-type: none"> Group impairment charge on loans and advances to customers for the 6 months ended 30 Sept 09 was €1.8bn (260 bps annualised) Loans and advances to customers**: <ul style="list-style-type: none"> 30 Sept 08 - €145bn 31 Mar 09 - €136bn 30 Sept 09 - €135bn 			
Residential mortgages - 44% / €60bn RoI 21% UK 23%		Impairment charge by portfolio - €m			
Property & construction - 26% / €35bn RoI 12% UK 13% RoW 1%		6 mths to 30 Sept 08	6 mths to 31 Mar 09	6 mths to 30 Sept 09	
Non property SME / corporate - 26% / €35bn RoI 11% UK 8% RoW 7%		Residential mortgages - Republic of Ireland 15 3 - UK 12 57	112 57 55	142 96 46	
Consumer (unsecured) 4% / €5bn RoI 2.4% UK 1.6%		Non property SME / corporate 68	276	393	
		Property / construction 124 5 - Investment 119 138 - Development/Landbank 504 1,029	642 138 504	1,135 106 1,029	
		Consumer (unsecured) 60	138	117	
		Total 267	1,168	1,787	

*Note: Before balance sheet impairment provisions of €3.5bn

**Note: Before balance sheet impairment provisions of €0.8bn Sept 08; €1.8bn Mar 09 and €3.5bn Sept 09

Balance sheet funding



- Customer deposits increased by 4% 30 Sept 09 vs 31 Mar 09 despite intense competition and pressure on international deposits caused by ratings downgrades earlier in the year
- Distribution and strength of brand and franchise driving deposit growth
 - 26% share of total resources in Ireland
 - POFS source of quality deposits
- Quantum of wholesale funding at 30 Sept 09 reduced to €61bn from €74bn at 31 Mar 09
 - Increase in customer deposits
 - Improvement in wholesale funding maturity profile and strong franchise assets for contingent liquidity collateral leading to a reduced requirement for liquid assets
- Bol issued €7.9bn of term funding (wholesale funding with a maturity of 1 year or greater) during 6 months to 30 Sept 09
 - Proven access to un-guaranteed public benchmark markets (secured and unsecured)
- Net Monetary Authority drawings have decreased to €7bn at 30 Sept 09 from €17bn at 31 Mar 09

Funding metrics	Mar 09	Sept 09
Customer deposits	€83bn	€87bn
Loan to deposit ratio	161%	152%
Term funding (wholesale funding with a maturity of 1 year or greater) as a % of overall wholesale funding	27%	33%

*Note: Excludes Life funds held on behalf of policyholders: Mar 09 €9.7bn, Sept 09 €11.4bn

Capital position

Capital – Basel II	Mar 09		Sept 09	
	%	€bn	%	€bn
Equity tier 1 capital	6.2	6.5	6.6	6.6
Core tier 1 capital	9.5	10.0	10.1	10.2
Tier 1 capital	12.0	12.6	11.0	11.1
Total capital	15.2	16.0	14.5	14.6
RWA		105		101

Improving quality of capital

- Re-purchase of non-core tier 1 securities completed in Jun 09 generated €1bn of Equity and Core Tier 1 capital
 - Improved quality of capital
 - Reduced Total Tier 1 and Total Capital by €0.7bn
- Lower risk weighted assets driven by:
 - Lower assets
 - Lower market risk
 - Higher impaired loans and increased impairment provisions
- Our existing capital, bolstered by on-going pre-impairment operating profit, should be sufficient to absorb impact of expected impairment charges. We are committed to strengthening our capital ratios in line with revising market norms and expected regulatory developments

Interim Divisional performance

Underlying operating profit (pre impairment) (€m)	6 mths to 30 Sept 09	6 mths to 30 Sept 08*	Change %
Retail Ireland	263	440	(40%)
Bank of Ireland Life**	57	3	1,800%
UK Financial Services	187	205	(9%)
UK Financial Services (£m)	163	162	1%
Capital Markets	382	389	(2%)
Group Centre	(102)	(73)	40%
Total	787	964	(18%)

Impairment charge - loans and advances (€m)	6 mths to 30 Sept 09	6 mths to 30 Sept 08
Retail Ireland	(917)	(114)
Bank of Ireland Life	-	-
UK Financial Services	(436)	(87)
UK Financial Services (£m)	(385)	(69)
Capital Markets	(434)	(66)
Group Centre	-	-
Total	(1,787)	(267)

* Note: Restated for the impact of the amendment to IFRS 2 'Share-based Payments' which has increased the operating expenses by €3m in the 6 months ended 30 Sept 08 (6 months to 31 Mar 09: €13m increase)

**Note: Bank of Ireland Life underlying PBT

Contact details

Treasury Sales Team Bank of Ireland Global Markets

Email firstname.surname@boigm.com
 Web www.boi.ie/capitalmarkets

Bow Bells House, 1 Bread Street,
 PO Box 62969, London EC4P 4BF, UK
 Tel +44 207 429 9199
 Freephone 0800 039 0038

1 Donegall Square South,
 Belfast BT1 5LR, UK
 Tel +44 289 032 2778
 Freephone 0800 776 616

This document is for information purposes only and Bank of Ireland is not soliciting any action based upon it.

Bank of Ireland incorporated in Ireland with limited liability. Bank of Ireland is authorised by the Irish Financial Regulator and authorised and subject to limited regulation by the Financial Services Authority. Details about the extent of our authorisation and regulation by the Financial Services Authority are available from us on request.

Registered Office – Head Office, Lower Baggot Street, Dublin 2, Ireland. Registered Number – C-1.