Slide 1: Annual General Court 15 June 2011

Slide 2: Important Notice

Slide 3: Helen Nolan, Group Company Secretary

Slide 4 : Today's Business

Slide 5: Pat Molloy Governor

Slide 6: 2010 Review

Chairman's Opening Statement

Thank you very much Helen. Good morning everyone and welcome to our Annual General Court. We appreciate that so many of you took the time to be here with us today.

The purpose of this Annual General Court is to review the financial performance of the Group for the financial year ended 31 December 2010, and to consider the resolutions set out in the notice of the AGC. As you are no doubt aware, we announced capital proposals on 8 June 2011, to meet the higher regulatory capital requirement set by the Central Bank under the March 2011 Prudential Capital Assessment Review (PCAR) and Prudential Liquidity Assessment Review (PLAR). These proposals are subject to shareholder approval, and will be considered at a separate Extraordinary General Court which is set for 11 July 2011.

We expect to post a Circular to shareholders in two days time, on 17 June and it will also be available on our website. We expect that a Prospectus will also be available from 17 June. The Prospectus is an important document which contains the full terms of the capital proposals including risk factors and all stockholders should read it, in order to consider the capital raising proposals. As the Prospectus has not yet been issued, it is not appropriate to discuss the detailed terms of the capital raising at this meeting.

However, I will provide you with an overview of the capital proposals to help you understand the structure of planned transactions. As I mentioned, the capital proposals are subject to stockholder approval and there will be a separate Extraordinary General Court on 11 July 2011 at which time the necessary stockholder resolutions to permit the capital raising to proceed will be put before the meeting. There will be ample opportunity for stockholders to ask questions at that Extraordinary General Court which is the appropriate forum for dealing with all matters relating to the capital raising, as stockholders will have had the opportunity to review the Prospectus in advance.

Turning to today's business, I will start with a short presentation to give you a brief overview of the financial performance of the Group for the 12 months ended 31 December 2010. I will then give you some background on how the Group was affected by the sovereign debt crisis which

led to the EU/IMF programme of support and the higher regulatory capital requirements for Irish Banks, as set by the Central Bank on 28 November 2010. I will also give you an overview of the Capital proposals that the Group announced on 8 June 2011, to meet the incremental capital that the Group is required to raise in order to meet the new minimum Core Tier 1 ratio set by the Central Bank of Ireland and the capital requirement arising from the 2011 PCAR exercise.

Slide 7: Overview of 2010

2010 brought many challenges to our Group and trading conditions in our core Irish market were difficult. Although economic statistics were somewhat mixed throughout 2010, there are now indications that the Irish economy has stabilised. Economic recovery is being led by the export sector, but the domestic economy remains sluggish, with very modest growth forecast for 2011. Despite the difficulties in the Irish economy, we believe that Ireland's core strengths of a strong export sector, favourable demographics, with a well educated, skilled workforce, and its pro-business environment will underpin a return to economic growth.

Throughout 2010, and indeed since the start of this financial crisis, we have focused on a range of key strategic issues to support the stabilisation of the Group and position it for economic recovery as a more focused, and strengthened bank. We have continued to make progress on these initiatives including: strengthening the Group's capital position, rigorously managing asset quality, and reducing our costs.

Following the outcome of the 2010 PCAR exercise, we undertook a complex capital raising programme to generate the required capital to meet the 2010 PCAR standard of 8% Core Tier 1 which had to be met by 31 December 2010. This capital raising was completed successfully in June 2010 which improved our capital position and resulted in the Group meeting the 2010 PCAR standard. The achievement of the 2010 PCAR capital standard was reaffirmed by the Central Bank on 30 September 2010. In addition, at 31 December 2010, our Core tier 1 ratio continued to be in excess of the 8% ratio set by the Central Bank of Ireland (CBI) in its March 2010 PCAR exercise.

Losses on disposal of assets to NAMA have been higher than our expectations and those anticipated by the former Minister for Finance in his statement on Banking of 30 September 2010 with respect to Bank of Ireland. The impact of this on capital was largely offset by equity generated from liability management exercises concluded in the last quarter of 2010.

Impairment provisions on our non NAMA portfolios remain high but within our expectations and we continue to be of the view that losses on our non NAMA portfolios peaked in 2009 and having reduced in 2010 will reduce further in 2011 and 2012.

Although we made progress against our key priorities, we continued to be affected by the severity of the economic downturn in Ireland. Our funding objectives were severely impacted by the sovereign debt concerns which arose in the second half of the year which culminated in the announcement by the Government of an EU/IMF Programme of support on 28 November 2010.

The sovereign debt issues arising in that period adversely impacted our ability to term out our funding and caused significant outflows of ratings sensitive deposits. This situation has stabilized since 28 November 2010. Our core retail deposit franchise in Ireland has been robust and our incorporation in the UK of an FSA licensed banking subsidiary has also supported our deposit initiatives.

Although, we recorded a post tax loss of 609 million euro for the twelve months ended 31 December 2010, this was broadly in line with expectations and compared to a post tax loss of 1,760 million euro for 2009.

In tandem with the announcement of the EU/IMF programme of support for the State, the Central Bank of Ireland announced that it had set a new minimum capital requirement of 10.5% Core Tier 1 for the Irish Banking system. In addition, Irish banks were required to complete a PCAR and PLAR exercise, the results of which were announced on 31 March 2011.

Arising from the PCAR stress testing exercise, the Group is required to generate equity capital of 4.2 billion euro, including a regulatory buffer of 0.5 billion euro and a further 1.0 billion euro in contingent capital that could convert into equity in certain circumstances.

Slide 8: Financial Results

Our pre-impairment operating profit reduced from 1.4 billion euro to 1.0 billion euro, primarily as a result of the continuing intense competition for deposits, higher cost of wholesale funding and higher costs of the Government guarantee schemes, partially offset by higher asset pricing,.

On an underlying basis, excluding non-core items, the Group underlying loss before tax increased from 3.287 billion euro for 2009 to 3.459 billion euro for 2010. This reflects the loss on the disposal of assets to NAMA and lower operating income, partially offset by lower impairment charges on our non-NAMA portfolios.

The overall loss before tax for 2010 was 950 million euro compared to a loss before tax of 2.2 billion euro for 2009, with the reduction in loss driven by non-core gains on liability management exercises, the gain arising from changes in the Group's defined benefit pension

schemes following the acceptance of the Group's proposals to address the pension deficit, and gains arising on the movement in credit spreads on the Group's own debt.

The difficult funding environment in the second half of 2010 resulted in a significant shortening of the maturity profile of wholesale funding due to limited access to term funding, outflows of ratings sensitive deposits primarily in our Capital Markets business, and an increased reliance on secured borrowing primarily from Monetary Authorities. Notwithstanding the progress made on deleveraging through a reduction in assets, these factors resulted in an increase in the Group's loan to deposit ratio at December 10 to 175% from 141% at December 2009.

The Group's Equity and Core tier 1 ratios increased from 5.3% and 8.9% at December '09 to 7.3% and 9.7% respectively at December '10. The increase in these ratios was driven by our capital raising in June '10, and liability management exercises undertaken during the year.

Slide 9: Continuing Progress on our Key Priorities I

Our key priorities are factors that we continually focus on in order to navigate these difficult times. Although we have made progress on many of our priorities, there are also factors outside of our control that significantly impact on the performance of the Group.

Despite the difficult environment, we remain focused on driving changes within the business so that the Group is well positioned to deal with these challenges and for future economic recovery.

Slide 10: Continuing Progress on our Key Priorities II

Continuing progress on deleveraging and de-risking- the Balance Sheet

Since the height of the Global financial crisis, the Group has implemented a range of deleveraging initiatives. Arising from these initiatives together with the transfer of assets to NAMA, the Group's total loan book (including assets held for sale to NAMA) has reduced by 20% since September 2008.

The Group's strategy is to continue to make a meaningful impact on our deleveraging initiatives and revert to a more traditional retail banking funding structure with loan portfolios substantially funded by customer deposits.

Continuing progress on Strengthening out Capital Ratios

Our capital ratios have been significantly strengthened since September 2008.

The Group's capital raise in June 2010 generated gross capital of 3.6 billion euro, 2.9 billion euro net after fees and buying back the warrants held by the Irish Government. In addition, ongoing liability management exercises have been undertaken to swap or purchase subordinated bonds in order to generate additional equity. In aggregate, we have swapped c 5.8 billion euro of bonds to generate equity of 2.6 billion euro.

Impairment

Based on our experience, and the detailed review of impairments that we have undertaken together with the independent reviews undertaken by Oliver Wyman, we believe that the Group's loan impairments peaked in 2009, and reduced in 2010 with further reductions anticipated in future years. In addition, it is important to note that our loan portfolios are diverse geographically with circa 55% of the Group's loan assets outside the Republic of Ireland.

In advance of the March 2011 PCAR, the Group commissioned Oliver Wyman, leading international risk consultants, to independently review and challenge the Group's base case non-NAMA impairment estimates. This review confirmed that Bank of Ireland's impairment estimates to be reasonable.

Continuing progress on Reducing Operating Costs

Since the commencement of the crisis, the Group has implemented robust cost disciplines in order to drive cost savings across the organisation, achieving cost reductions of 17% since 2008. Through the Group's restructuring initiatives together with restraints on hiring staff, staff numbers have reduced by circa 2,400 or 14% since 2008. Further redundancy programmes are underway in order to streamline operations and drive efficiencies. We also addressed the structural deficit in our Group defined benefit pension schemes at December 2009. Our proposals to address the deficit resulted in a material reduction in the net pension deficit which at December 2010 was 0.4 billion euro compared to 1.6 billion euro at December 2009.

We continue to drive efficiencies across all businesses in the Group and expect to generate sustainable savings from further efficiency initiatives to streamline our operations.

Slide 11: Impact of the Sovereign Debt Crisis

Since the last time that I spoke to you at our EGC & AGC on 19 May 2010, the financial crisis has deepened further with sovereign debt coming into focus particularly for peripheral European countries.

Heightened concerns regarding the level of fiscal deficits and sovereign debt levels for peripheral Eurozone countries, including Ireland, resulted in renewed instability in financial markets. In particular, financial markets were concerned about the sustainability of projected debt levels for the Irish State.

These concerns were exacerbated by the impact of higher than expected discounts on asset transfers to NAMA, and the cost to the State of supporting the Irish banking system, resulting in significant increases in bond yields and several downgrades of the Irish Sovereign credit rating from August 2010, culminating in the EU/IMF programme of support in late November 2010.

The Sovereign concerns and credit downgrades led to corresponding downgrades for the senior bond ratings of Irish banks including Bank of Ireland, and this adversely impact on the funding environment for the Group.

As a consequence, the Group's funding objectives were not achievable from the second half of 2010, as wholesale markets closed to the Irish Sovereign and Irish banks. We experienced significant outflows of ratings sensitive deposits during the second half of 2010, resulting in an increase in our loan to deposit ratio to 175% at Dec 10 (Dec 09: 141%), and increased reliance on Monetary Authority funding. However, on a more positive note, our Retail deposit franchises in Ireland and in our joint venture with the UK Post Office have been very resilient, and our UK business has been enhanced by our incorporation of a UK banking subsidiary. The Group's deposit position has stabilised since 28 Nov 10.

Slide 12: Capital Raising

Slide 13: Capital Raising: Background and Objectives

In tandem with the announcement of the EU/IMF programme of support for the State, the Central Bank of Ireland announced that it had set a new minimum capital requirement of 10.5% Core Tier 1 for the Irish Banking system. In addition, Irish banks were required to complete a PCAR and PLAR exercise, the results of which were announced on 31 March 2011.

Arising from the 2011 PCAR and PLAR, the Group is required to generate €4.2 billion of Core Tier 1 capital and €1.0 billion of contingent capital via the issue of a debt instrument which under certain circumstances would convert into equity capital.

The equity capital requirement has been set to cover:

- the higher target capital ratios set by the CBI of a minimum Core tier 1 ratio of 10.5% on an ongoing basis and a Core tier 1 ratio of 6% under the adverse stress scenario;
- an additional regulatory buffer of €0.5 billion for additional conservatism;
- the adverse stress scenario loan loss estimates based on BlackRock Solutions ('BlackRock') methodology;
- the potential transfer of further loans to NAMA of less than 20 million euro using conservative loss on disposal assumptions, although under the programme for government this is not occurring; and
- a conservative estimate of losses arising from deleveraging under an adverse stress scenario.

This PCAR review also included a deleveraging plan (PLAR) which anticipates a loan to deposit ratio of less than 122.5% for the Group by 31 December 2013 whereby non-core loan portfolios will be wound-down or sold, of which circa 10 billion will be through disposals. This augments the asset reductions and liquidity initiatives contained in the Group's approved EU Restructuring and Viability Plan.

The completion of these capital proposals will result in a strongly capitalised bank with a proforma Core Tier 1 ratio of 15% as at 31 December 2010. If the adverse stress scenario does not materialise, the Group should significantly exceed the 10.5% target capital ratio.

Slide 14: Capital Raising - Understanding the €4.2 billion Equity Capital

Bank of Ireland met the capital requirement of the 2010 PCAR exercise by raising 2.94 billion euro net costs and the repayment of the Government warrants.

The Group's capital position was confirmed on 30 September 2010 when the Central Bank of Ireland confirmed that the Group continued to meet the requirements of PCAR, including the impact of higher NAMA haircuts and changes in NAMA eligibility which occurred since the original PCAR was completed in March 2010.

When the Central Bank announced the higher minimum Core Tier 1 capital ratio requirement of 10.5% on 28 November, that required Bank of Ireland to raise an additional 2.2 billion euro. Through liability management initiatives and a number of disposals, the Group generated 0.8 billion towards this goal between December 2010 and February 2011.

They then performed the PCAR stress test which required the Group to raise a further 2.2 billion euro to meet

- the adverse stress scenario loan loss estimates based on BlackRock Solutions (‘BlackRock’) methodology;
- the potential transfer of further loans to NAMA using conservative loss on disposal assumptions; and
- a conservative estimate of losses arising from deleveraging under an adverse stress scenario.

Furthermore, the Group is also required to raise 0.5 billion euro regulatory buffer for additional conservatism.

Slide 15: 2011 Prudential Capital Assessment Review (PCAR)

The outcome of the 2011 PCAR is based on future loan loss estimates undertaken by BlackRock on behalf of the Central Bank with aggressively conservative assumptions on the performance of the Group’s loan books under such modelled potential stress conditions.

For Bank of Ireland, the resulting incremental capital requirement was primarily driven by the methodology applied by BlackRock to our residential and commercial mortgage books in both the base case and adverse stress scenario.

This methodology applies, in our view, a “repossess and sale” approach under scenarios with conservative residential and commercial property values as the primary driver of loan losses in both mortgage and investment property portfolios and places less emphasis on customers’ repayment capacity including contracted income streams.

This approach is materially different to the methodology used in previous reviews of potential future loan losses by Bank of Ireland and leading international risk consultants including Oliver Wyman.

As with any stress test, the adverse stress scenario is designed to cover unlikely but potential “what-if” situations reflecting even more stressed macroeconomic conditions than might reasonably be expected to prevail. If the actual loan losses and loss on disposal over the three year period 2011 to 2013 equate to the Group’s estimates, the Group should significantly exceed the 10.5% minimum Core tier 1 capital ratio as required by the Central Bank.

The Governor of the Central Bank noted in his announcement of the Financial Measures Programme, that the BlackRock review of credit losses sought to quantify the scale of losses in an adverse and unlikely macroeconomic scenario. Reality he said, is therefore not likely to be as bad as the projections they have arrived at.

Slide 16: Overview of Capital Raising Proposals

As announced on 8 June, the additional capital requirement will be met through a combination of the following:

The liability management exercise, supported by the Irish Government, as announced on 3 June incorporates both cash and equity alternatives and also incorporates proposals to amend eligible subordinated debt securities to grant the Group a call option to compulsorily acquire the relevant securities for cash.

To the extent that eligible subordinated debt securities are not acquired or exchanged pursuant to the liability management exercise or acquired pursuant to the exercise of the call options under the amended terms of the securities, the Minister has stated that the Government will take whatever steps are necessary in so far as it is permitted under the Stabilisation Act, or otherwise, to achieve the level of burden sharing contemplated.

The balancing amount of capital will be raised by means of a Rights Issue to be underwritten by the State. The Rights Issue will be for €4.35 billion less the amount of incremental Core tier 1 capital generated from i) the liability management exercise, ii) the exercise of any call option to the extent that the terms and conditions of the relevant securities are amended, and iii) the expected exercise of the powers pursuant to the Stabilisation Act in respect of any outstanding eligible subordinated debt securities following the above actions.

The Bank continues to have discussions with other sources of private capital concerning the terms and form upon which they may participate in the capital raising

The proposals (excluding the contingent capital) would generate a proforma Core Tier 1 ratio of 15% at 31 December 2010, and meet the adverse stress scenario under the March 2011 PCAR.

This level of capital results in a strongly capitalised Group capable of supporting future economic recovery.

Slide 17: Indicative Timetable – Key Dates

As I mentioned earlier, we expect to post a Circular to shareholders in two days time, on 17 June and it will also be available on our website. We expect that a Prospectus will also be available from 17 June. The Prospectus is an important document which contains the full terms of the capital proposals including risk factors and all stockholders should read it, in order to evaluate and decide on the capital raising proposals.

The capital proposals are subject to stockholder approval at a separate Extraordinary General Court on 11 July 2011 at which the necessary stockholder resolutions to permit the capital raising to proceed will be proposed. There will be ample opportunity for stockholders to ask questions at that EGC which is the appropriate forum for dealing with all matters relating to the capital raising.

Slide 18: Today's Business

Thank you for you attention. I will now invite your questions on any aspect of the resolutions before the meeting. There are 12 roving microphones available to enable all of us to hear what is being said. Stockholders who want to comment or ask a question should raise their hands and wait for a microphone before speaking. Each of the microphones is numbered, so I will call the number of each microphone and would ask that each stockholder might give your name when asking your question or making your comment. If you don't mind, I will sit down and join my colleagues, and between us, I hope we will have the capacity to answer such questions that you have.

May I now invite your questions on any aspect of the Resolutions before the meeting.

Slide 19: Questions and Answers on the Resolutions