Annual General Court

15 June 2011

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Bank of Ireland Group

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The estimated Rights Issue sizes set out in this document are based on the closing foreign exchange rates on 6 June 2011 which were €1.00 = USD 1.4596, €1.00 = CAD 1.4317 and €1.00 = GBP 0.8903. The actual size of the Rights Issue will be impacted to the extent the settlement foreign exchange rates for the LME are different to these rates.

Helen Nolan

Group Company Secretary

Today’s business

Bank of Ireland Group

	Time
Introduction and outline of today’s order of business	11.00am
Annual General Court (AGC)	
Presentation and Overview of Resolutions	
Questions and Answers	11.20am
Overview of Resolutions 1 to 9 and Voting	1.00pm
Conclusion of AGC	
Refreshments in the Conservatory	1.15pm

Pat Molloy

Governor

2010 Review

Overview of 2010

Bank of Ireland Group

- Our trading environment has been and continues to remain difficult. However:
  - We believe the Irish economy has begun to stabilise
  - The key fundamental strengths of Ireland's open economy will enable it to benefit from the continuing global economic recovery
- We improved our capital position by our capital raising which was completed in June 10, further liability management exercises and other initiatives
- Impairment charges on our non-NAMA portfolios for 2010 remain high but within our expectations and with further anticipated reductions in subsequent years 2011 - 2013
- Significant progress was made on our key priorities particularly those where we can exert control
- Irish and European peripheral sovereign debt concerns meant that our funding objectives were not achievable from the H2 2010 onwards
  - Unable to term out our wholesale funding
  - Significant outflows of ratings sensitive deposits
  - EU/IMF programme of support announced for Ireland on 28 Nov 10
- Results broadly in line with expectations
- Higher capital ratio targets introduced by the Central Bank of Ireland (CBI) and the outcome of the 2011 PCAR stress testing exercise have resulted in an incremental capital requirement of €4.2bn (including a €0.5bn buffer) in equity and a further €1.0bn in contingent capital

Results for the 12 months ended 31 December 2010

Bank of Ireland Group

Group Income Statement[1]
(excluding non-core items)

	Dec 09 €m	Dec 10 €m
Operating profit pre-impairment of financial assets	**1,432**	**1,017**
Underlying loss before tax	**(3,287)**	**(3,459)**
Profit before tax	**(2,207)**	**(950)**

Funding

	Dec 09	Dec 10
Loans (excl NAMA assets) / deposits	141%	175%
Term funding (funding with a remaining term to maturity of greater than 1 year) **as a % of total wholesale funding**	32%	32%

Capital

	Dec 09	Dec 10
RWAs (€bn)	98	79
Equity tier ratio 1	5.3%	7.3%
Core tier ratio 1	8.9%	9.7%
Tier 1 ratio	9.8%	9.7%
Total capital ratio	13.4%	11.0%

[1] Underlying excluding non-core items

Overview 2010 -
Continuing progress on our key priorities

Bank of Ireland Group

Progress on key priorities through pro-active engagement

Asset Quality – Losses Peaked and Reducing	✓
Strategic Shape of the Group Confirmed – EU Restructuring & Viability Plan	✓
Deleveraging & De-risking the Balance Sheet	✓
Strengthening Capital Ratios	**2010 PCAR** ✓
Reducing Operating Costs on a sustainable basis	✓
Pension scheme(s) IAS 19 deficits – Structural deficit largely dealt with	✓

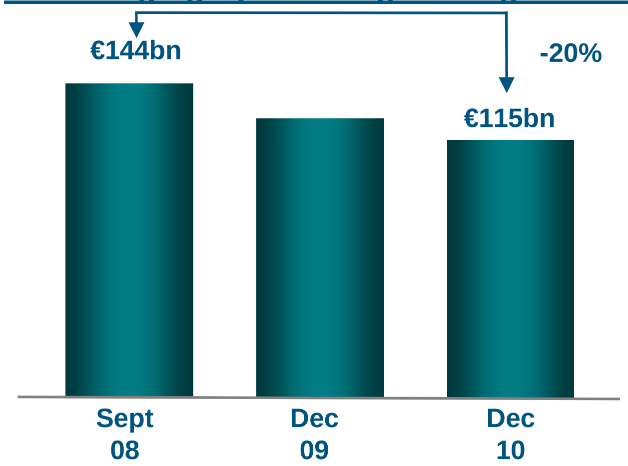
Key Challenges

Economic Environment	Continuing focus on our key priorities
Systemic Issues in Funding Markets	
Significant Restructuring & Asset Disposals	
Income and Net Interest Margin	

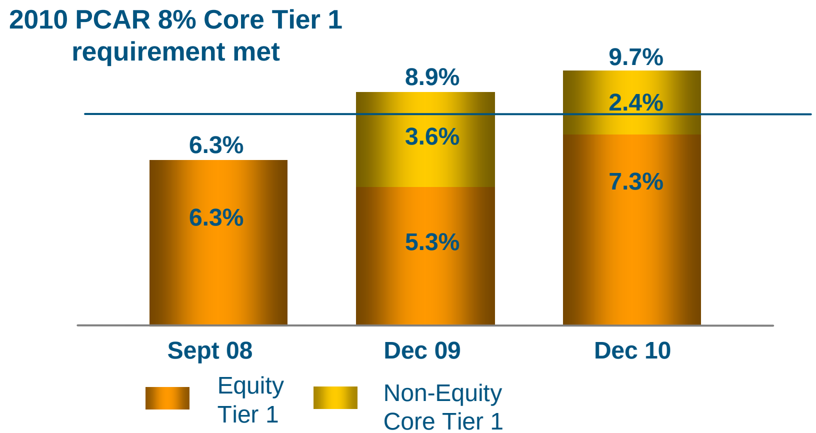
Continuing progress on our key priorities

Bank of Ireland Group

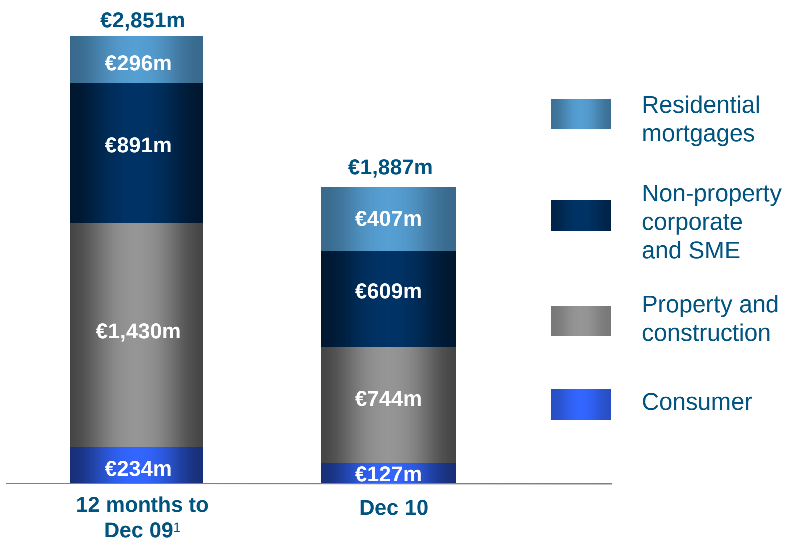
Deleveraging by reducing lending volumes



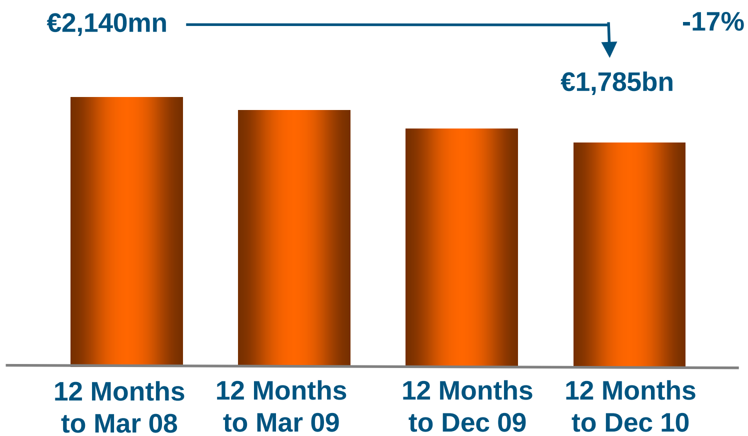
Core Tier 1 Capital Ratio strengthening



Impairment charges peaked and reducing



Operating Costs reducing and rigorously managed



[1]The impairment charge on loans and advances to customers and assets held for sale to NAMA have been restated for the 12 months to Dec 09 to reflect changes in the eligibility criteria for potential transfers of assets to NAMA during 2010

Impact of the Sovereign Debt Crisis

Bank of Ireland Group

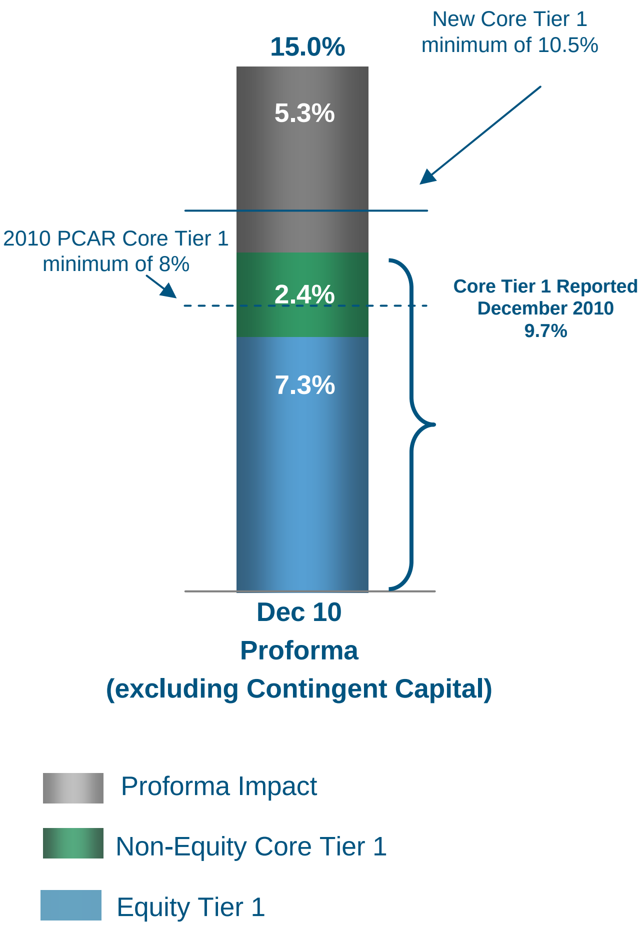
Peripheral Europe Concerns	▪ Heightened concerns regarding the level of fiscal deficits and sovereign debt levels for peripheral Eurozone countries resulted in renewed instability in financial markets
Impacts on Ireland	▪ Markets were concerned about the sustainability of projected debt levels of the Irish State ▪ 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 ▪ This resulted 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
Impacts on Irish Banks	▪ Sovereign concerns and credit downgrades led to corresponding downgrades for the senior bond ratings of Irish banks including Bank of Ireland. ▪ This adversely impacted on the funding environment for the Group
Impact on Bank of Ireland	▪ The Group's funding objectives were not achievable from H2 10 as wholesale markets closed to the Irish Sovereign and Irish banks. ▪ We experienced significant outflows of ratings sensitive deposits in H2 2010, resulting in a increase in our loan to deposit ratio to 175% at Dec 10 (Dec 09: 141%), and increased reliance on Monetary Authority funding ▪ BOI's deposit position has stabilised since 28 Nov 10. Retail deposit franchises have been very resilient. UK incorporation has been of assistance.

Bank of Ireland Group

Capital Raising

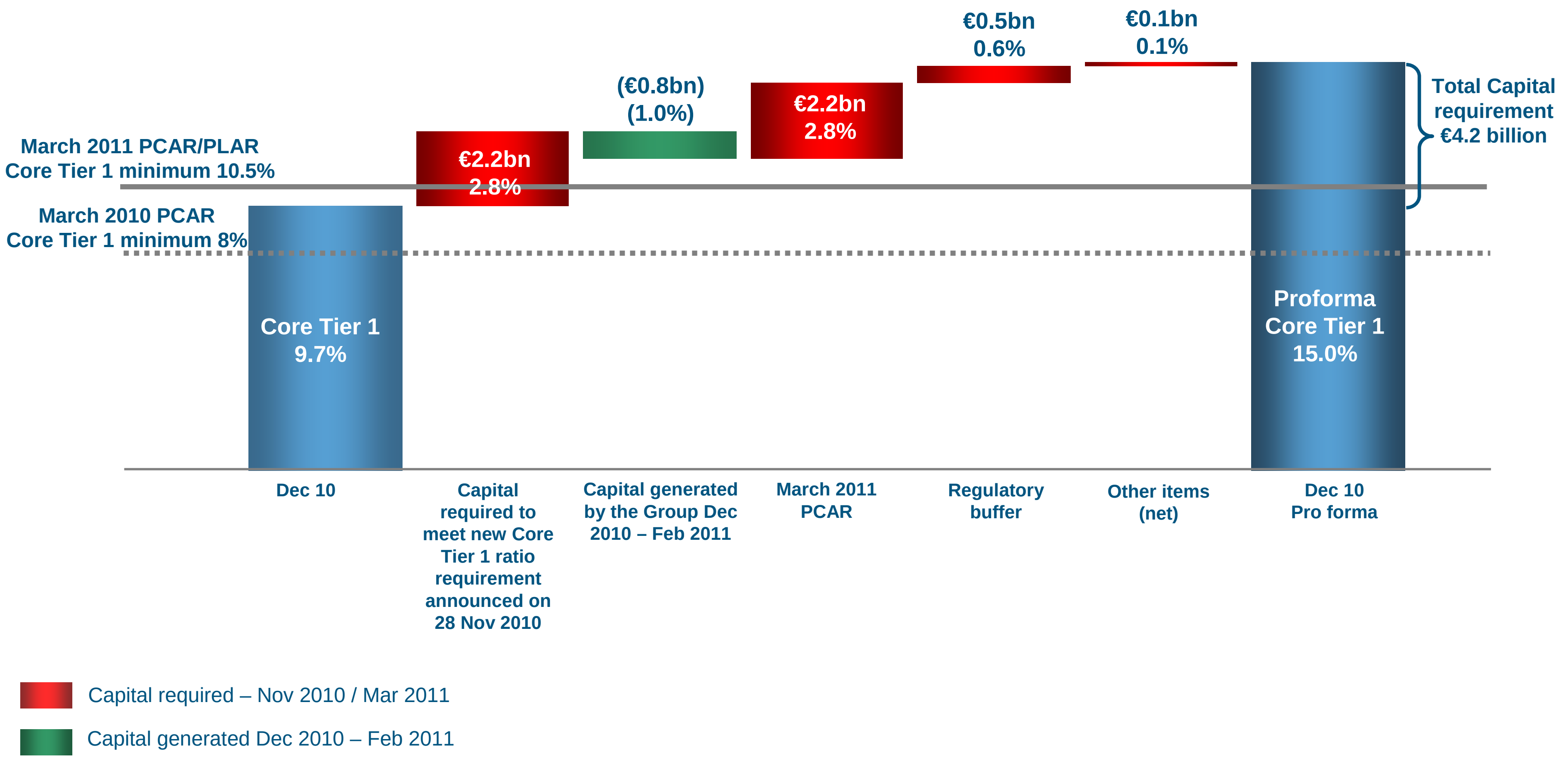
Capital Raising: Background and Objectives

Core Tier 1 Capital Ratios



- In tandem with the EU/IMF programme, CBI were required to conduct a Prudential Capital Assessment Review (PCAR) and Prudential Liquidity Assessment Review (PLAR) in March 2011 in respect of Irish banks
- As a result of the PCAR and PLAR the CBI requires the Group to:
  - Raise €4.2bn in new equity (of which €0.5bn has been determined to be a “buffer”)
  - Raise €1.0bn contingent capital using a convertible debt instrument
- The Core Tier 1 capital requirement was set to meet higher CBI set capital ratios:
  - A minimum Core Tier 1 ratio of 10.5% based on the PCAR base case;
  - A Core Tier 1 ratio of 6% under the PCAR adverse stress scenario;
  - An equity buffer of €0.5bn for additional conservatism;
  - The PCAR adverse stress scenario loan loss estimates provided to the CBI by BlackRock Solutions (‘BlackRock’) methodology; and
  - A conservative estimate of losses arising from deleveraging under the adverse stress scenario, and potential transfers of further loans to NAMA (NAMA transfers <€20m no longer occurring).
- PCAR adverse stress scenario based on conservative assumptions on the performance of the Group’s loan portfolios under more stressed macroeconomic conditions than might reasonably be expected to prevail
  - Repossess and sale approach adopted by BlackRock
  - Conservative property values used as the primary driver of default and loan losses
- PLAR outcome resulted in the Group augmenting its existing deleveraging plan to achieve a target loan to deposit ratio of 122.5% by December 2013
- If the adverse stress scenario does not materialise, the Group should significantly exceed the 10.5% minimum Core Tier 1 ratio

Capital Raising:
Understanding the €4.2bn equity capital requirement under the 2011 PCAR



2011 Prudential Capital Assessment Review (PCAR)

BlackRock Methodology includes:

- Future loan loss estimate over the 2011 – 2013 period under stress scenarios based on aggressively conservative assumptions on the performance of the Group's loan portfolios
- An element of crystallised losses in the years following 2013 brought into 2011 – 2013 period

BlackRock Assumptions:

- Repossess and sale approach adopted by BlackRock
- Conservative residential and commercial property values as the primary driver of both default and loan losses
- Limited emphasis on customers' repayment capacity including contracted income streams

Overview of Capital raising proposals

Bank of Ireland Group

•LME •Stabilisation Act or other actions •Rights Issue	€4.35bn
Capital raising costs	€0.15bn
CT1 Capital Required	€4.2bn
Contingent Capital	€1.0bn
Total[1]:	€5.2bn

- Capital Raising proposals comprise 4 key elements:
  a. Liability Management Exercise (LME) for c.€2.6bn subordinated liabilities, incorporating equity and cash options
  b. Bondholder burden sharing – action by the Minister for Finance to ensure that burden sharing is achieved in respect of any subordinated debt outstanding post LME
  c. Rights Issue (RI) underwritten by NPRFC – RI will be for a maximum of €4.35bn less Core Tier 1 capital (a) generated from LME; and (b) estimated to be generated from steps taken by the Minister for Finance under the Stabilisation Act or other action to burden share any subordinated debt outstanding after LME
  d. Contingent Capital Instrument of €1bn issued to the NPRFC
- 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
  – Meet the adverse stress scenario under the March 2011 PCAR
  – Result in a strongly capitalised Group capable of supporting future economic recovery
- Proposals are subject to shareholder approval

[1]Net of capital raising costs

Indicative timetable key dates

Bank of Ireland Group

17 June, Friday	• Posting of Circular to Shareholders
17 June, Friday	• Publishing of Prospectus for Shareholders
8 July, Friday	• Announcement of LME results / Announcement of Rights Issue size
9 July, Saturday	• Latest time for receipt of proxies
11 July, Monday	• Extraordinary General Court • Despatch of Provisional Allotment Letters

There will be a helpline available to assist you with your queries.

Today's Business

Bank of Ireland Group

Resolution 1	Ordinary	To receive the Report and Accounts
Resolution 2	Ordinary	To receive the Report on Directors' Remuneration
Resolution 3	Ordinary	(i) To elect Patrick Kennedy as a Director (ii) To re-elect the following Directors by separate resolutions: (a) Pat Molloy (b) Richie Boucher (c) Rose Hynes (d) Jerome Kennedy (e) John O'Donovan (f) Patrick O'Sullivan
Resolution 4	Ordinary	To authorise the Directors to determine the remuneration of the auditors
Resolution 5	Special	To determine the re-issue price range of treasury stock
Resolution 6	Special	To maintain the existing authority to convene an EGC by 14 days notice
Resolution 7	Special	To renew the Directors' authority to issue Ordinary Stock on a non-pre-emptive basis for cash
Resolution 8	Special	To renew the Directors' authority to issue Ordinary Stock on a non-pre-emptive basis other than for cash
Resolution 9	Special	(i) To reduce stock premium (ii) To authorise the Directors to determine the amount of stock premium reduction

Questions & Answers on the Resolutions

Bank of Ireland Group

Annual General Court

15 June 2011

Resolutions

Bank of Ireland Group

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