TITLE SLIDE

SLIDE 1: IMPORTANT NOTICE

SLIDE 2: Helen Nolan, Group Company Secretary

SLIDE 3: TODAY'S BUSINESS

SLIDE 4: Pat Molloy, Governor

Thank-you, Helen.

Good morning ladies and gentlemen and a warm welcome to you all here today. We have a quorum, so I will commence this Extraordinary General Meeting.

Before I proceed any further can I ask the meeting, as the Notice of the meeting as included in the Circular has been with stockholders for the requisite period, can I take the Notice as read?

I will start with a short presentation where I will explain the background to these very significant Capital Raising Proposals and will outline for you why the Board is recommending them to you. Copies of the presentation have been provided to you this morning. We will then answer any questions you may have about them before moving on to the voting.

SLIDE 5: CAPITAL RAISE

On the 3rd of June we announced Proposals to raise €4.35 billion equity capital including costs and €1 billion Contingent Capital to strengthen our capital position as required under the 2011 Prudential Capital Assessment Review (PCAR). Today we are seeking the approval of our stockholders to proceed with these proposals.

Why are we raising this capital?

Following of the 2010 Captial Raising, the Bank exceeded the capital requirements set in March 2010 by the Central Bank of Ireland's 2010 Prudential Capital Assessment Review. The March 2010 PCAR required the Group to maintain an 8% Core Tier 1 ratio under a base case and a 4% Core Tier 1 ratio under a stressed scenario. At 31 December 2010, the Group's Core Tier 1 ratio was 9.7%, well in excess of the required 8%.

However, in tandem with the announcement of the EU/IMF programme of support for the State on 28 November 2010, the Central Bank of Ireland announced that it had set a new higher 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 (a Prudential Liquidity Assessment Review), the results of which were announced on 31 March 2011.

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

The Court considered a number of options for raising the required capital including the possibility of private equity investment and alternative forms of bondholder contribution. The Proposals set out in the Circular represent the basis on which the NPRFC is prepared to underwrite a rights issue to enable the Group to raise the required levels of Core tier 1 capital by 31 July 2011, and certainty of underwriting in the required quantum is available only from the State. In addition, the State will also subscribe for the €1 billion contingent capital instrument which will be a 5 year Tier 2 dated subordinated instrument with a 10% coupon that will convert into ordinary stock if the Group's Core Tier 1 ratio falls below 8.25% (subject to a period of remediation). The contingent capital would convert into ordinary stock at a conversion price – the higher of 30 day volume weighted average market price per unit of ordinary stock at the date of conversion or 5 cent.

The completion of these capital proposals will result in a strongly capitalised bank with a proforma Core Tier 1 ratio of 15.4% as at 31 December 2010.

SLIDE 6: Understanding the €4.2 billion Equity Capital Requirement

Bank of Ireland met the capital requirement of the 2010 PCAR exercise. The Group's capital position was reaffirmed on 30 September 2010 when the Central Bank of Ireland confirmed that the Group continued to meet the requirements of the 2010 PCAR, including the impact of higher NAMA haircuts and changes in NAMA eligibility.

Between 28 November 2010 and 31 March 2011, the Central Bank of Ireland conducted a PCAR stress test and in addition increased the minimum Core Tier 1 Capital Ratio from the previous 8% to 10.5%. As a consequence, the Central Bank has required Bank of Ireland to generate incremental Equity Tier 1 capital of €3.7 billion plus an additional regulatory buffer of €0.5 billion in equity capital.

SLIDE 7: RIGHTS ISSUE SIZE

Turning now to the equity raising proposals. These are fully covered in our Stockholders Circular, Prospectus and Supplementary Prospectus which I encourage you to read carefully.

In summary, the Proposal is to raise €4.35 billion of new equity including capital raising costs of €150m.

The first element is a liability management exercise covering approximately €2.6 billion of subordinated bonds. The liability management exercise, supported by the Irish Government, as announced on 3 June and updated on 28 June 2011 incorporated both cash and equity alternatives and also incorporated proposals to amend eligible subordinated debt securities to grant the Group a call option to compulsorily acquire the relevant securities for cash.

As a result the Bank has generated c.€1.96 billion of Core Tier 1 Capital, comprising capital gains of €1.31 billion arising from the offer and the exercise of call options, and will issue €0.65 billion of ordinary stock on an ex-rights basis

Subordinated debt securities of approximately €0.60 billion will remain outstanding following the completion of the liability management exercise. It is expected that €0.51 billion of Core Tier 1 capital will be generated in respect of these outstanding subordinated debt securities from a combination of further burden sharing with bondholders anticipated by the Minister for Finance and the remaining liability management offers. The Central Bank has provided permission to extend the deadline for this expected capital beyond 31 July 2011. Accordingly, this amount has been deducted in arriving at the final Rights Issue size.

The second element is the Rights issue of €1.91 billion. The rights issue is fully underwritten by the NPRFC.

The elements of the equity and contingent capital raise proposals are subject to stockholder approval at this EGM today.

SLIDE 8: Impact of the Rights Issue following completion of the LME

What, then is the potential impact of the Rights Issue on existing shareholders following the completion of the Liability Management Exercise.

The first circle on the chart shows that our existing private stockholders own 64 per cent of the Bank and the State owns 36 per cent of the Bank before the new capital is generated.

The second circle shows that if all existing stockholders take up their rights, their stockholding reduces to circa 51.7 per cent of the Bank, reflecting the debt for equity exchange; however, as shown in the third circle if all existing stockholders do not take up their rights – their share of the Group will reduce to circa 11.2 per cent of the Bank.

The Rights Issue gives you the right and the opportunity to buy more shares in the Bank at 10 cent per unit of stock or to place those Rights into the market.

SLIDE 9: RIGHTS ISSUE

So, focusing then on the Rights Issue, and recognising that this is a complex transaction – I thought it useful to spend a few moments covering some of the technical aspects of the Rights Issue element.

The Rights Issue enables the Bank to raise additional capital from our existing stockholders. All of today's proposals are subject to stockholder approval – and in the event that we receive a positive outcome today – you will receive important documents in the post in the coming days comprising a provisional allotment letter and stockholder guide. These documents will tell you how many new shares you can acquire, and at what cost, and outline for you the options that are open to you.

The documents will indicate that you are being given the right to subscribe for 18 new units of ordinary stock for every 5 units of ordinary stock you hold on the record date of 5pm on 8 July 2011 at a price of 10 cent per unit.
You will have a number of options:

- You can take up all of your Rights
- You can take up some of your Rights through the "Cashless Take Up" option (by 3pm, 19 July 2011). Under this option, some of your Rights would be placed into the market with any proceeds (net of expenses) used to take up your remaining Rights
- You can put all of your Rights into the market
- You can take up some of your Rights for cash and let the remaining Rights lapse
- You can take up some of your Rights for cash and/ put some or all of the balance of your Rights into the market
- Or, you can do nothing

Remember that if you don't wish to take up some or all of your rights you can place some or all of them into the market. If you do nothing, your rights will lapse at 11am on the 26th of July 2011, after which time these lapsed rights may be sold into the market and any premium obtained over the rights issue price and the expenses of sale will be paid to you as the stockholder.

The Rights Issue is fully underwritten in any case – the NPRFC has guaranteed this capital to the Group. You do have an opportunity to participate in the capital raise and to decide on which option fits best with your own personal circumstances.

Please read the documents that you receive carefully – any questions please consult your financial advisor or call our help-line – the telephone number is on the bottom of page 3 of the Circular and is also included in the Stockholder guide.

The proposals (excluding the contingent capital) would generate a proforma Core Tier 1 ratio of 15.4% at 31 December 2010, and meet the adverse stress scenario under the March 2011 PCAR, resulting in a strongly capitalised Group capable of supporting future economic recovery.

To enable us take this next vital step your directors are recommending a vote in favour of today's Resolutions. Mr Considine and Mr Walsh, as Government nominated directors are a related party, and consequently are not voting on or recommending resolutions 1 and 6.

SLIDE 10: QUESTIONS AND ANSWERS ON THE RESOLUTIONS

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. **Please give your name or the name of the person or institution you are representing 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 whatever questions you have.