Interim Results

30 June 2012

Bank of Ireland

For small steps, for big steps, for life

Forward-looking statement

Bank of Ireland Group

This document contains certain forward looking statements within the meaning of Section 21E of the US Securities Exchange Act of 1934 and Section 27A of the US Securities Act of 1933 with respect to certain of the Bank of Ireland Group's (the Group) plans and its current goals and expectations relating to its future financial condition and performance, the markets in which it operates, and its future capital requirements. These forward looking statements can be identified by the fact that they do not relate only to historical or current facts. Generally, but not always, words such as 'may,' 'could,' 'should,' 'will,' 'expect,' 'intend,' 'estimate,' 'anticipate,' 'assume,' 'believe,' 'plan,' 'seek,' 'continue,' 'target,' 'goal,' 'would', or their negative variations or similar expressions identify forward looking statements. Examples of forward looking statements include among others, statements regarding the Group's near term and longer term future capital requirements and ratios, loan to deposit ratios, expected impairment charges, the level of the Group's assets, the Group's financial position, future income, business strategy, projected costs, margins, future payment of dividends, the implementation of changes in respect of certain of the Group's defined benefit pension schemes, estimates of capital expenditures, discussions with Irish, UK, European and other regulators and plans and objectives for future operations.

Such forward looking statements are inherently subject to risks and uncertainties, and hence actual results may differ materially from those expressed or implied by such forward looking statements. Such risks and uncertainties include, but are not limited to, the following:

- concerns on sovereign debt and financial uncertainties in the EU and in member countries and the potential effects of those uncertainties on the Group;
- general economic conditions in Ireland, the United Kingdom and the other markets in which the Group operates;
- changes in applicable laws, regulations and taxes in jurisdictions in which the Group operates particularly banking regulation by the Irish and UK Government together with any changes arising on foot of the Euro Area Summit Statement on 29 June 2012;
- the impact of further downgrades in the Group's and the Irish Government's credit rating;
- the availability of customer deposits at sustainable pricing levels to fund the Group's loan portfolio and the outcome of the Group's disengagement from the ELG scheme;
- development and implementation of the Group's strategy, including the Group's deleveraging plan and the Group's ability to achieve estimated net interest margin increases and cost reductions;
- property market conditions in Ireland and the UK;
- the performance and volatility of international capital markets;
- the potential exposure of the Group to various types of market risks, such as interest rate risk, foreign exchange rate risk, credit risk and commodity price risk;
- the effects of the Irish Government's stockholding in the Group (through the NPRFC) and possible increases in the level of such stockholding;
- the outcome of any legal claims brought against the Group by third parties or legal or regulatory proceedings more generally that may have implications for the Group;
- the Group's ability to address information technology issues;
- potential deterioration in the credit quality of the Group's borrowers and counterparties; and
- implications of the Personal Insolvency Bill 2012 for distressed debt recovery and impairment provisions.

Nothing in this document should be considered to be a forecast of future profitability or financial position and none of the information in this document is or is intended to be a profit forecast or profit estimate. Any forward looking statements speak only as at the date they are made. The Group does not undertake to release publicly any revision to these forward looking statements to reflect events, circumstances or unanticipated events occurring after the date hereof. The reader should however, consult any additional disclosures that the Group has made or may make in documents filed or submitted or may file or submit to the US Securities and Exchange Commission.

Bank of Ireland Group

Group Chief Executive's Review

Richie Boucher

Overview

Bank of Ireland Group

Balance Sheet Strengthened

	Dec 11	Jun 12
Loans / deposits ratio	144%	136%
Term funding ratio (private market)	70%	69%
RWAs	€67bn	€62bn
Core tier 1 ratio	15.1%	14.9%
Core tier 1 ratio (PCAR / EBA basis)	14.3%	14.0%

Operating Performance

6 months to	Jun 11	Jun 12
Operating profit Pre-impairment	€164m	€58m
Net interest margin (annualised)	1.33%	1.20%
Impairment charges on loans and advances to customers	€842m	€941m
Underlying loss before tax	(€722m)	(€907m)

External Context

- Economic backdrop and interest rate environment remain challenging
- Progress being achieved on the adjustments necessary to support sustainable economic recovery
- Regulatory change remains intense

2012 Interim Results

- Asset disposal target of €10bn exceeded ahead of schedule
- Redemptions and repayments remain in line with expectations
- Robust capital ratios and improving liquidity metrics
  - Core tier 1 ratio of 14.9%
  - Loan to deposit ratio further improved to 136%
- Operating profit impacted in H1 2012 by the interest rate environment, deposit competition and ELG costs
- Actions taken and further plans being implemented to strengthen net interest margin
- Lower staff costs offset by investments in efficiencies and in our core franchises
- Cost reduction benefits expected to flow through in subsequent periods
- Impairment charges below the level incurred in H2 2011 but remain elevated

Focus on Our Key Priorities

Bank of Ireland Group

Restructuring the Balance Sheet

- Deleveraging ahead of schedule and below assumed cost
- Deposit franchises resilient
- Loan to deposit ratio reducing
- Capital ratios robust

Enhancing our Core Franchises

- Market positions in Ireland and UK strengthening - investments being made in core franchises
- Using capital and funding to actively seek revenue generating opportunities
- Rolling out new products and services
- Supporting customers in financial difficulty
- Investing in payment systems

Focus on Our Key Priorities

Bank of Ireland Group

Delivering Sustainable Operational Efficiencies off a Lower Cost Base

- Redundancy programmes recommenced
- Centralising support functions
- Leveraging lower cost channels
- Consolidating premises
- Investing in systems including payment systems

Rebuilding Profitability

- Reducing the cost of deposits and other funding
- Disengagement from ELG
- Repricing of loans
- Seeking new business opportunities in our core franchises
- Improving the risk profile of our loan portfolios

Ireland - a 15% Stockholder in Bank of Ireland

Bank of Ireland Group

1 January 2009 - 30 June 2012

Cash Invested by the State

Cash invested by the State		€4.8bn
▶ Preference shares (€1.7bn converted to ordinary shares in 2010)	€3.5bn	
▶ Contingent capital instrument	€1.0bn	
▶ Ordinary stock 2011	€0.3bn	

Repay and Reward State Support

Cash paid by BOI to the State		€2.5bn
▶ Guarantee fees	€1.2bn	
▶ Repurchase of warrants (2010) and recapitalisation fees	€0.8bn	
▶ Coupons[1]	€0.5bn	

Current State investments in BOI		€2.8bn +15% stockholding
▶ Preference shares (10.25% p.a. coupon)	€1.8bn	
▶ Contingent capital instrument (10% p.a. coupon)	€1.0bn	
▶ 15% stockholding		

Reduce the Risk to the State

- €136bn of liabilities guaranteed in Sep 08
- Reduced by 74% to €36bn at Jun 12
- Taking actions to fully disengage from ELG

Support the State

IBRC promissory note payment

- €3bn due in Mar 12
- IBRC repo transaction executed during H1 2012

Supporting the Economy

- Investing in Irish franchise
- Actively seeking new customers and opportunities
- Growing share of mortgage and SME markets

[1] Includes the dividends on the Preference shares paid in cash in 2011 and 2012 and the coupon paid on the Contingent capital instrument in July 2012

Focused on Medium Term Targets

Bank of Ireland Group

	Measure	2011	Jun 2012	Target	Progress
Financial Stability	Loans and advances to customers[1]	€102bn	€98bn	c.€90bn	On track for 2014 delivery
	Group loan / deposit ratio	144%	136%	≤120%	
	Capital ▶ Core tier 1 ratio ▶ Core tier 1 ratio (PCAR / EBA basis)	 15.1% 14.3%	 14.9% 14.0%	Buffer maintained over regulatory minimum	
	ELG covered liabilities ELG fees	€42bn €449m	€36bn €212m	Fully disengaged	
Rebuilding Profitability	Net interest margin	1.33%	1.20%	>2.0%	Timing will reflect interest rates and pace of economic recovery
	Cost / income ratio	79%	92%	<50%	
	Impairment charges	€1.9bn	€0.9bn	55bps - 65bps	

[1] Loans and advances to customers are stated net of impairment provisions

Group Income Statement

Andrew Keating

Group Income Statement

Bank of Ireland Group

	H1 2011 €m	H1 2012 €m	Change €m
Net Interest income	1,034	857	(177)
Government guarantee fees	(239)	(212)	27
Other income (net)	212	255	43
Total income	**1,007**	**900**	**(107)**
Operating expenses	(843)	(842)	1
Operating profit pre-impairment	**164**	**58**	**(106)**
Impairment charges	(901)	(978)	(77)
Share of associates / JVs	15	13	(2)
Underlying loss before tax	**(722)**	**(907)**	**(185)**
Total non-core items	166	(348)	
Loss before tax	**(556)**	**(1,255)**	

Average interest earning assets	€146bn	€132bn	(€14bn)
Net interest margin[1]	1.33%	1.20%	(13bps)

Total Income

- €14bn reduction in average interest earning assets to €132bn
- 13bps reduction in net interest margin to 1.20%
- €27m reduction in Government guarantee fees
- Fees and recurring income broadly stable

Operating Expenses

- Lower staff costs offset by investments in franchises, customer service and efficiencies

Impairment Charges

- Reflects the current economic environment
- Increase primarily due to ROI mortgages

Non-Core Items

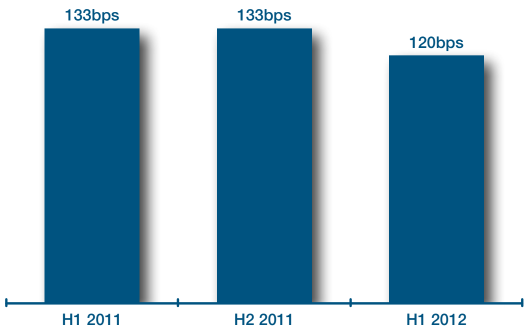
- Cost of deleveraging
- Restructuring and redundancy provisions
- BOI credit spread movements

[1] Excluding the cost of the ELG

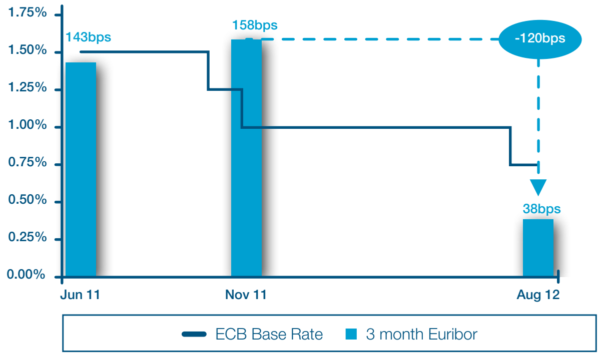
Net Interest Margin

Bank of Ireland Group

Net Interest Margin Trend



Market Interest Rate Trend



Interest Rate Environment

- Outlook is for lower official interest rates for longer
- Sharp reduction since Q4 2011
  - ECB rate has fallen from 1.5% to 0.75%
  - 3 month Euribor has fallen from c.1.6% to c.0.4%
  - Impacts earnings from certain assets, capital and credit balances
- Cost of deposits not impacted - driven by competition rather than by official rates

Actions to Rebuild Margin

- Leading price reductions in ROI deposits
- ROI SME loan pricing reset to reference actual cost of funds
- UK Mortgages - standard variable rate increased by 100bps in Jun 12; further 50bps in Sep 12
- Higher margins on new lending albeit demand is muted
- Structural transactions - IBRC / LTRO will also support
- Actions taken and further plans being implemented to strengthen net interest margin

Government Guarantee (ELG Fees)

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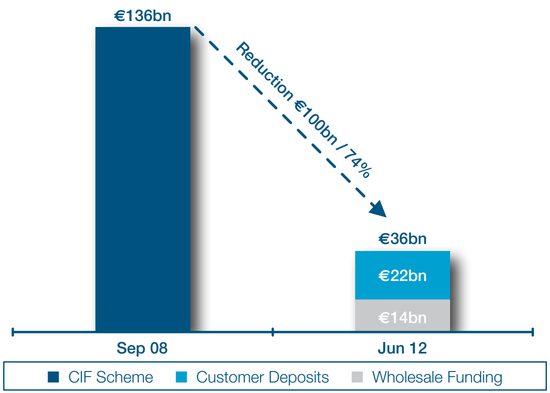
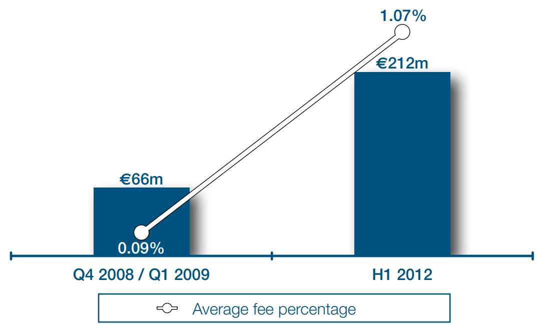
Covered Liabilities[1]

at period end



ELG Fees



Actions to Reduce ELG Costs

- Sep 08 - €136bn of liabilities guaranteed - reduction of 74% since then
- H1 2012 - €6bn reduction in the level of covered liabilities
  - Apr 12 - Bank of Ireland (UK) plc withdrew from scheme
  - Aug 12 - Isle of Man withdrew from scheme
  - Wholesale funding being repaid
  - Non ELG deposits from Corporate, Business and other customers

Systemwide Withdrawal of Deposit Guarantee Supported by

- Recapitalisation of Irish Banks completed
- Substantial progress on deleveraging achieved
- Recent growth in level of Irish deposits
- Irish economy stabilising
- Return of Irish sovereign to international bond markets

Less than 30% of BOI funding now covered by ELG

[1] ELG covers deposits in excess of deposit protection scheme (<€100K) and financial services compensation scheme (<£85K)

Operating Expenses

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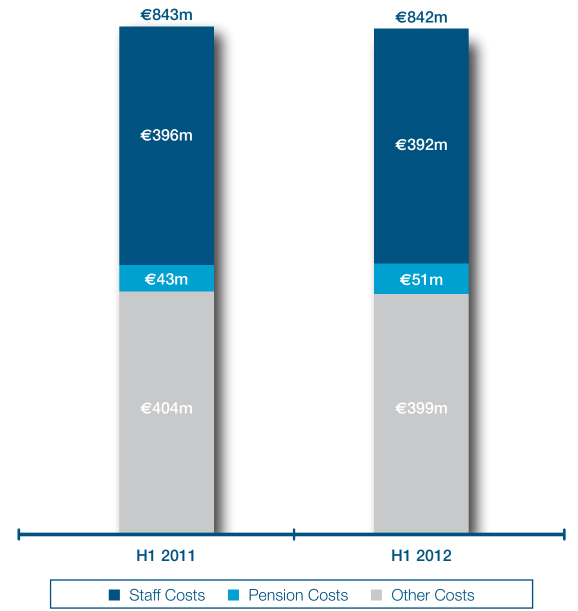
Total Costs



Operating Expenses

- Costs in line with H1 2011
- Lower staff costs offset by investments

Ongoing Actions to Reduce Cost

- Reduction in staff numbers
  - Voluntary parting terms agreed with stakeholders
  - Redundancy programmes have recommenced
  - Restructuring charge of €66m at Jun 12
- Pension levy to be recovered from BSPF scheme members
- Outsourcing contracts delivering expected benefits

Ongoing investments

- Branch, mobile and online channels
- UK Post Office
- Customer service and experience
- Efficiency measures - procedures and systems

Asset Quality

Balance Sheet Deleveraging

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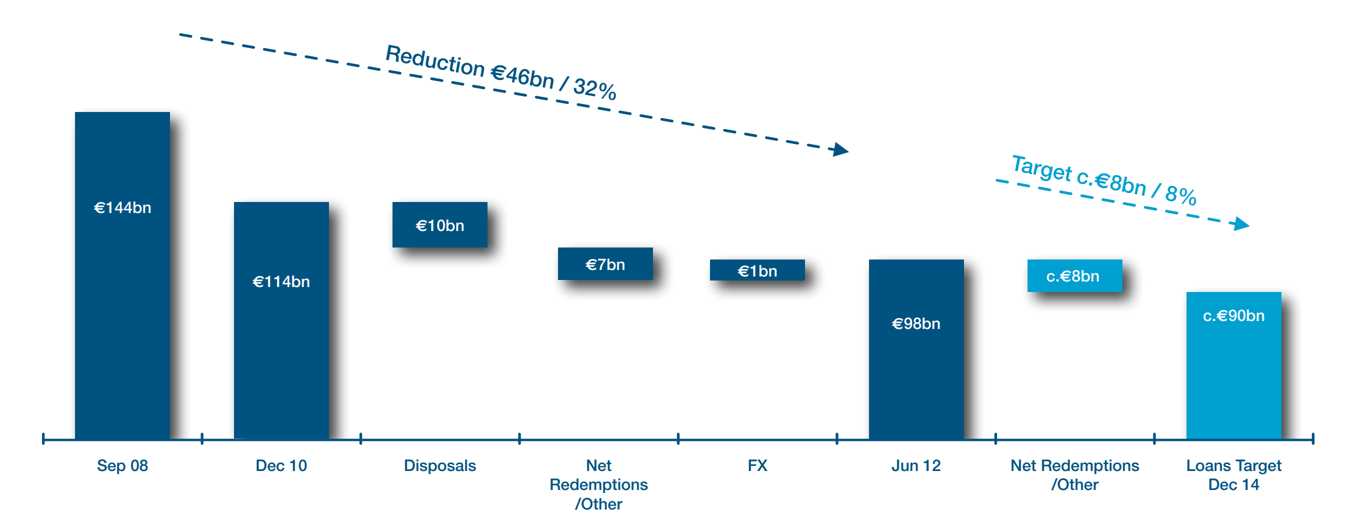
Deleveraging Targets on Track



- Asset disposal target of €10bn exceeded - ahead of schedule
- Average discount of 7.9% incurred - below 2011 PCAR base case assumptions
- Net redemptions continue in line with expectations
- Deleveraging targets on track

Loans and Advances to Customers

Bank of Ireland Group

Profile at 30 Jun 12[1]	ROI €bn	UK €bn	RoW €bn	Total €bn	Total %
Mortgages	28	29	-	**57**	*54%*
Non-property SME and corporate	13	7	5	**25**	*24%*
- SME	*11*	*4*	-	***15***	*14%*
- Corporate	*2*	*3*	*5*	***10***	*10%*
Property and construction	9	11	-	**20**	*19%*
- Investment property	*7*	*9*	-	***16***	*16%*
- Land and development	*2*	*2*	-	***4***	*3%*
Consumer	2	1	-	**3**	*3%*
Loans and advances to customers[2]	**52**	**48**	**5**	**105**	***100%***
Geographic %	**50%**	**45%**	**5%**	**100%**	

Asset Profile

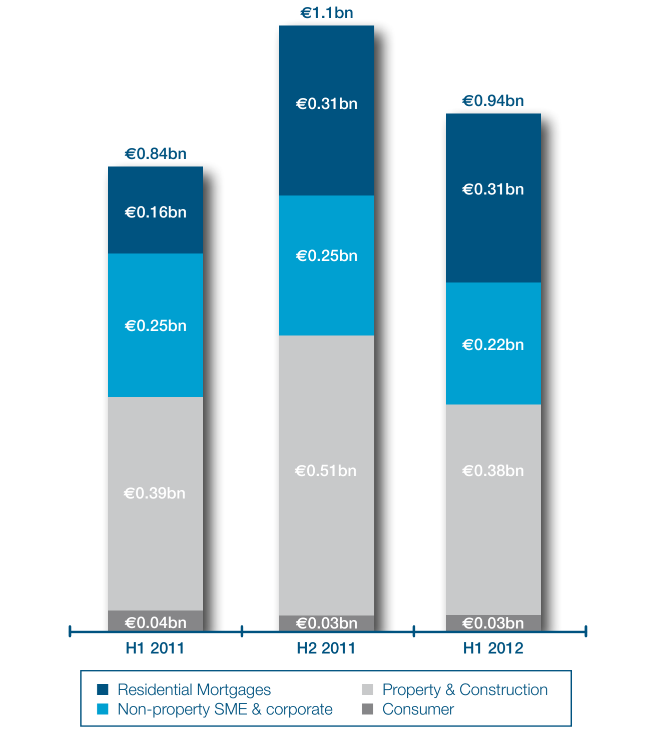
- Mortgages represent 54% of total loans - €57bn
  - split evenly in ROI and UK

Geographic Profile

- ROI loans account for 50% of total loans - €52bn
- 50% of loans are outside ROI - €53bn

[1] Based on geographic location of customer
[2] Loans and advances to customers of €105bn at 30 June 12 are before impairment provisions of €7bn

Impairment Charges



Overview

- Impairment charges remain elevated but have reduced from the level in H2 2011
- The charge for residential mortgages reflects the economic environment in Ireland and affordability issues
- Impairment charges in the SME sectors remain elevated but stable
- Impairment charges on property and construction loans reflect the economic environment and the low level of transactions in property markets
- Impairment charges on consumer loans remain within expectations

Outlook

- Expect impairment charges to reduce from current elevated levels
- Trending over time to a more normalised impairment charge as the economy recovers
- Pace of reduction will depend on the future performance of Irish mortgages and commercial property markets

ROI Owner Occupied Mortgages: €21bn

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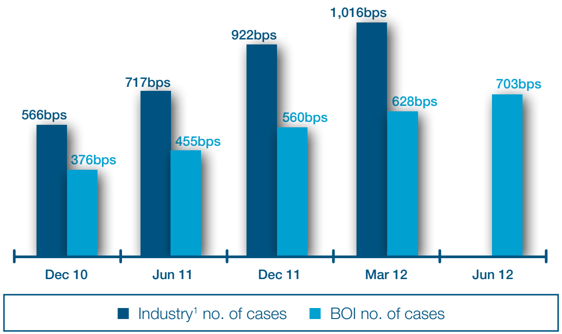
Arrears - greater than 90 days past due



Impairment Charge & Provisions

6 months ending	Jun 11	Dec 11	Jun 12
Arrears[2] - loan volumes			
▶ BOI loan volumes	5.89%	7.40%	9.22%
▶ Industry[1]	9.42%	12.23%	n/a
Impairment charge	€51m	€131m	€180m
Annualised charge	49bps	126bps	174bps
Provision stock	€361m	€489m	€672m
Coverage ratio[3]	30%	32%	35%
Properties in possession	81	99	115

Profile

- Repayment basis is substantially (88%) capital and interest
- 57% or €11.7bn are tracker mortgages

Asset Quality

- Vast majority of customers continue to meet their mortgage payments
- Arrears reflects economic conditions and affordability issues
- Negative equity is not a driver of arrears
- Strategic default has not been a feature during 2012
- Unemployment levels are broadly stable but remain elevated
- House prices may be starting to stabilise
  - Average of 50% fall from peak values[4]
  - Emerging urban/rural differential
- Negative equity of €2.9bn - 15% relates to default book

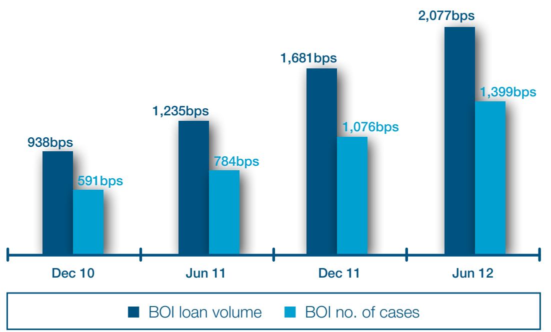
Restructures

- Focus on customer solutions where restructures are sustainable - new products developed and being rolled out
- Payment basis - customers must be able to pay at least full interest
- €1.8bn restructured at Jun 12 - 12,000 accounts

[1] Source: Central Bank of Ireland
[2] Loans greater than 90 days past due and/or impaired
[3] Impairment provisions as a % of loans where arrears are greater than 90 days past due and/or impaired
[4] Source: Central Statistics Office

ROI Buy to Let Mortgages: €7bn

Arrears - greater than 90 days past due



Impairment Charge & Provisions

6 months ending	Jun 11	Dec 11	Jun 12
Impairment charge	€89m	€173m	€111m
Annualised charge	245bps	485bps	314bps
Provision stock	€361m	€537m	€651m
Coverage Ratio[1]	41%	46%	46%
Properties in possession	49	67	85

Profile

- Repayment basis - 49% on capital and interest
- 81% or €5.5bn are tracker mortgages

Asset Quality

- Significant majority of customers continue to fully meet their mortgage payments
- Increase in arrears reflects economic conditions, affordability issues and the impact of rising repayments when interest only periods end
- Rents remain stable
- House prices may be starting to stabilise - average of 50% fall from peak values[2]
- Negative equity of €1.4bn - 26% relates to default book

Restructures

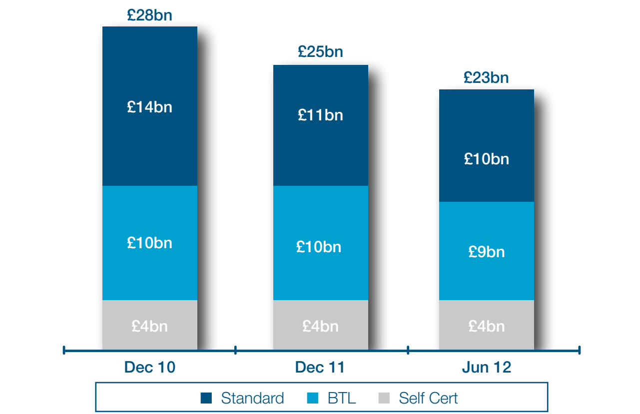
- Focus on customer solutions where restructures are sustainable - new products developed and being rolled out
- Payment basis - customers must be able to pay at least full interest
- €0.75bn restructured at Jun 12 - 3,700 accounts
- Rent receivers appointed to 500 properties
- Properties in possession are expected to increase in H2 2012

[1] Impairment provisions as a % of loans where arrears are greater than 90 days past due and/or impaired
[2] Source: Central Statistics Office

UK Residential Mortgages: £23bn / €29bn

Bank of Ireland Group

Profile of UK Residential Mortgages



Arrears - number of cases greater than 3 months past due

6 months ending	Jun 11	Dec 11	Jun 12
Standard	126bps	128bps	100bps
Buy to let	191bps	166bps	161bps
Self cert	528bps	416bps	315bps
Total	196bps	178bps	151bps

Impairment Charge & Provisions

6 months ending	Jun 11	Dec 11	Jun 12
Impairment charge (£)	£16m	£6m	£15m
Annualised charge	12bps	5bps	13bps
Provision stock	£126m	£111m	£110m
Coverage ratio[1]	17%	18%	24%
Properties in possession	313	273	271

Profile

- £1.4bn or 6% reduction in the portfolio during H1 2012
- 29% decline since portfolio put in run-off in Q1 2009

Asset Quality

- Arrears are reducing across each portfolio despite declining books

House Prices

- Decrease of 1% during 2012, reduction of 11% since peak in Oct 07 (Nationwide)
- Negative equity of £171m at Jun 12

[1] Impairment provisions as a % of loans with arrears greater than 90 days past due and/or impaired

Non-property SME & Corporate Loans: €25bn

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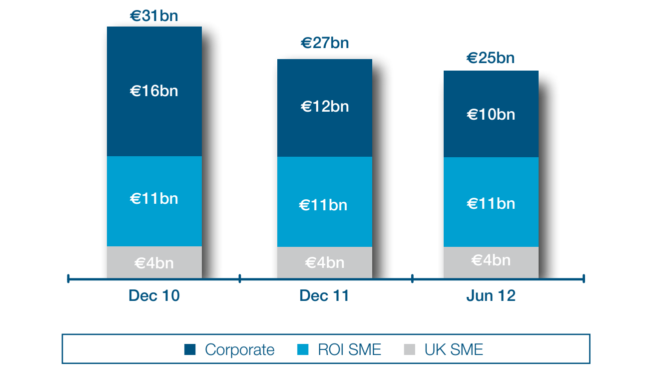
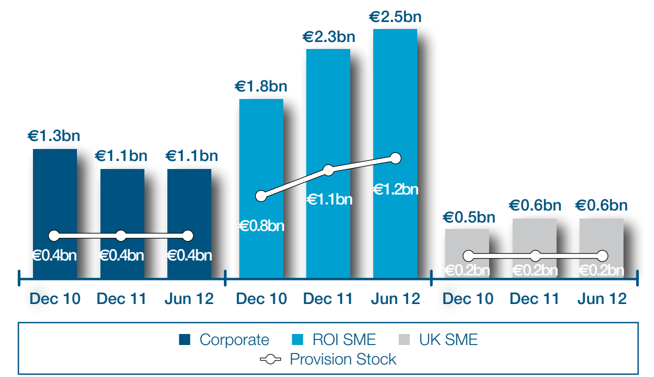
Profile of Loans



Impaired Loans & Provision Stock



Profile

- Reduction in portfolio of €2bn or 7% in H1 2012 - primarily disposals
- Diversified across sectors and geographies
  - 55% ROI, 27% UK and 18% RoW

Asset Quality

- International Corporate - more favourable economic conditions
- Irish SME - ongoing pressure, particularly those correlated with consumer spending / property markets
- UK SME - economic conditions subdued

Impairment Charge

6 months ending	Jun 11	Dec 11	Jun 12
Corporate	€86m	€56m	€77m
ROI SME	€141m	€140m	€123m
UK SME	€24m	€50m	€16m
Total	**€251m**	**€246m**	**€216m**

Coverage Ratio	Jun 11	Dec 11	Jun 12
Corporate	36%	38%	38%
ROI SME	49%	47%	46%
UK SME	34%	36%	32%
Total	**42%**	**43%**	**42%**

Investment Property Loans: €16bn

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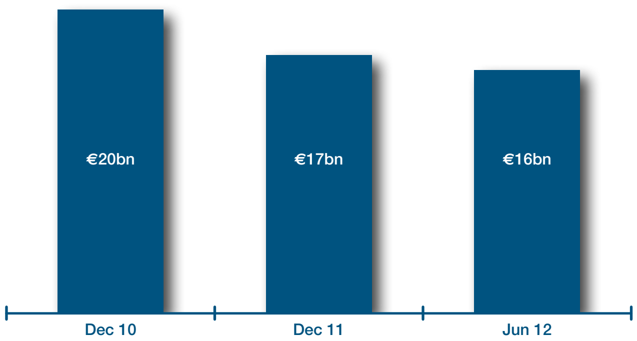
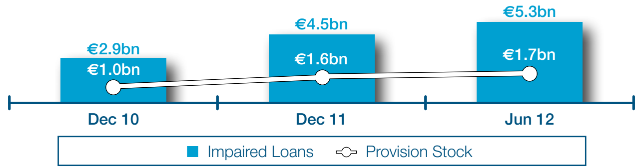
Investment Property Loans



Impaired Loans & Provision Stock



Profile

- Reduction in portfolio of €0.4bn or 3% in H1 2012
- Diversified across geographies and sectors:
  - 45% ROI, 53% UK and 2% RoW
  - 33% Retail, 21% Office, 11% Industrial and 35% other

Commercial Property Market

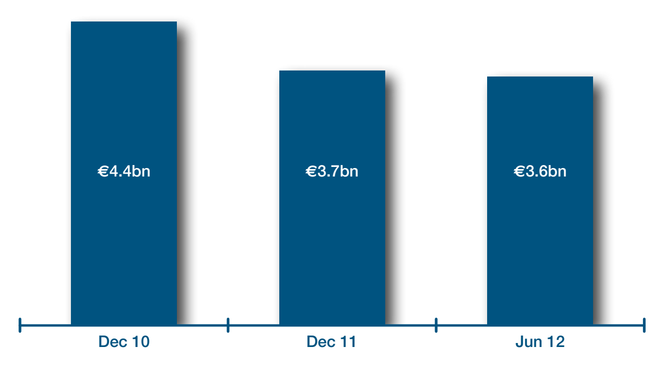
- ROI impacted by economic environment and a low level of transactions
- Recent evidence emerging of stabilisation and increase in activity levels in main cities
- UK - London / South East performing well; secondary markets and locations more subdued

6 months ending	Jun 11	Dec 11	Jun 12
Impairment Charge	€195m	€398m	€180m
Coverage Ratio	29%	34%	32%

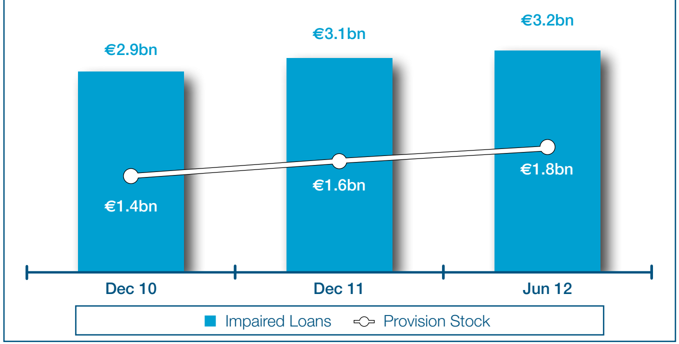
Land & Development Loans: €3.6bn

Bank of Ireland Group

Land & Development Loans



Impaired Loans & Provision Stock



Profile

- c.60% ROI; c.40% UK
- c.60% land; c.40% development

Asset Quality

- 88% is impaired with a coverage ratio of 58%
- Reflects challenging economic conditions and a low level of transactions

6 months ending	Jun 11	Dec 11	Jun 12
Impairment Charge	€191m	€109m	€207m
Coverage Ratio	50%	54%	58%

Consumer Loans: €3.2bn

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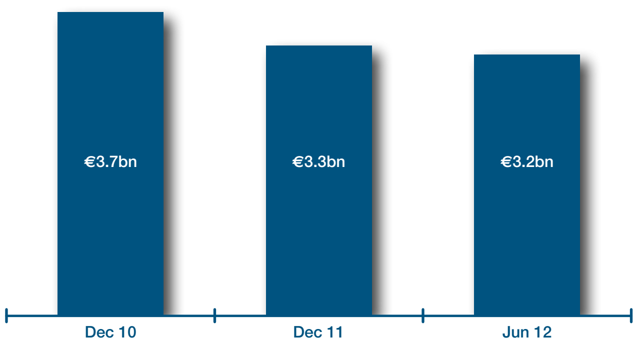
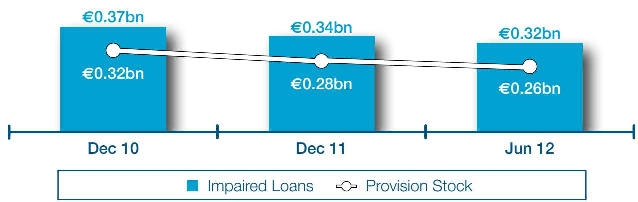
Consumer Loans



Impaired Loans & Provision Stock



Profile

- ROI - 58% / €1.8bn
  - 50% loans & overdrafts, 39% credit cards and 11% motor finance
- UK - 42% / €1.4bn
  - 52% motor finance, 36% credit cards and 12% loans & overdrafts

Asset Quality

- 10% of portfolio impaired with a coverage ratio of 82%

6 months ending	Jun 11	Dec 11	Jun 12
Impairment Charge	€46m	€34m	€28m
Coverage Ratio	84%	82%	82%

Available for Sale Financial Assets

Bank of Ireland Group

Carrying Value	ROI €bn	UK €bn	Spain €bn	Portugal €bn	Italy €bn	Other €bn	Jun 12 Total €bn	Dec 11 €bn
Sovereign Bonds	5.5	-	-	-	-	0.1	**5.6**	4.5
Covered Bonds	-	0.7	1.0	0.1	-	1.4	**3.2**	3.5
Senior Bank Debt	0.4	0.2	-	-	0.3	0.8	**1.7**	1.4
Asset Backed Securities	0.2	0.3	0.1	-	-	0.2	**0.8**	0.9
Total	**6.1**	**1.2**	**1.1**	**0.1**	**0.3**	**2.5**	**11.3**	**10.3**
AFS Reserve	(0.1)	-	(0.2)	-	-	(0.1)	**(0.4)**	(0.7)

Ireland

- Strong relative performance of Irish sovereign bonds during 2012 - improved AFS reserve
- All targets under EU / IMF programme have been met by the Irish State
- Net incremental investment in 2012 of €1.5bn in Irish bonds funded by ECB 3 year LTRO
- Separately BOI has €4.7bn of NAMA senior bonds (31 Dec 2011: €5.0bn) and the IBRC repo transaction (€2.8bn)

Spain / Italy / Portugal / Greece

- Exposures to Spain and Portugal are substantially covered bonds - all investment grade
- Italian exposures are primarily short dated - €0.2bn will mature within one year
- No AFS exposures to Greece

Other

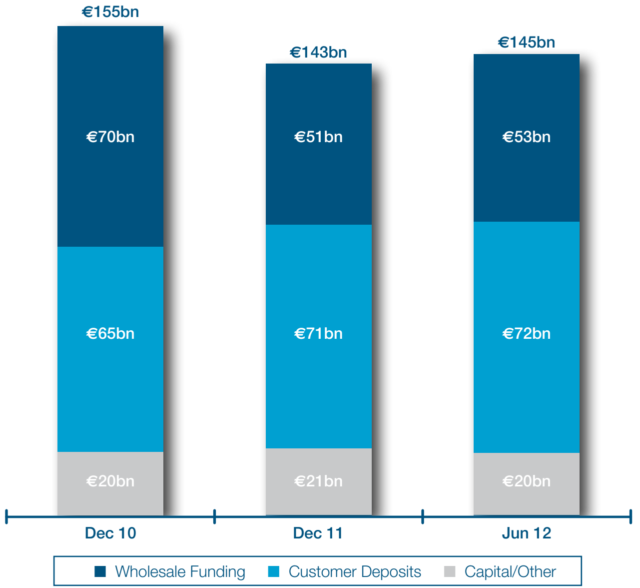
- France - €1.0bn
- Netherlands - €0.4bn
- Canada - €0.2bn
- Finland / Norway / Luxembourg / Other - €0.9bn

Funding & Capital

Balance Sheet Funding

Bank of Ireland Group

Total Liabilities[1]



Funding Strategy

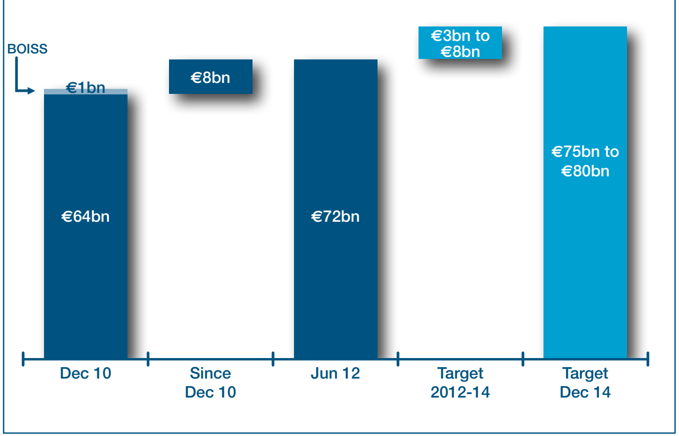
- The Group's aim is to fund its loan portfolios substantially through deposits and term funding while maintaining prudent capital and liquidity ratios
- Target a loan to deposit ratio of ≤120% by Dec 2014
- Drive deposit strategies through the strength of our franchise and the scale of our distribution
- Deleveraging is reducing the reliance on wholesale funding
- Loan disposal target of €10bn exceeded at Jun 12

[1] Excludes Bank of Ireland Life funds held on behalf of policyholders: Dec 10 €12.5bn, Dec 11 €12.0bn and Jun 12 €12.7bn

Customer Deposits

Bank of Ireland Group

Deposit Growth



Profile	Dec 10	Dec 11	Jun 12
Retail Ireland	€35bn	€36bn	€35bn
Retail UK	€21bn	€27bn	€29bn
Corporate	€8bn	€8bn	€8bn
BOISS related	€1bn	-	-
Total	**€65bn**	**€71bn**	**€72bn**
Loan to deposit ratio	175%	144%	136%

Group

- Deposits increased by €1bn since Dec 11; FX impact
- Loan to deposit ratio of 136% at Jun 12
- Profile is retail oriented
- Only 30% of deposits covered by ELG
- Access arrangements being revised
- Key focus:
  - further reduce the rate paid for deposits
  - further reduce the level of deposits covered by ELG

Retail Ireland

- Significant repricing implemented during H1 2012; further action underway/planned
- Volume in line with expectations

Retail UK

- Post Office deposits have increased by £1bn since Dec 11
- Average deposit size is less than £20k
- Enhanced Post Office relationship demonstrates further endorsement and commitment

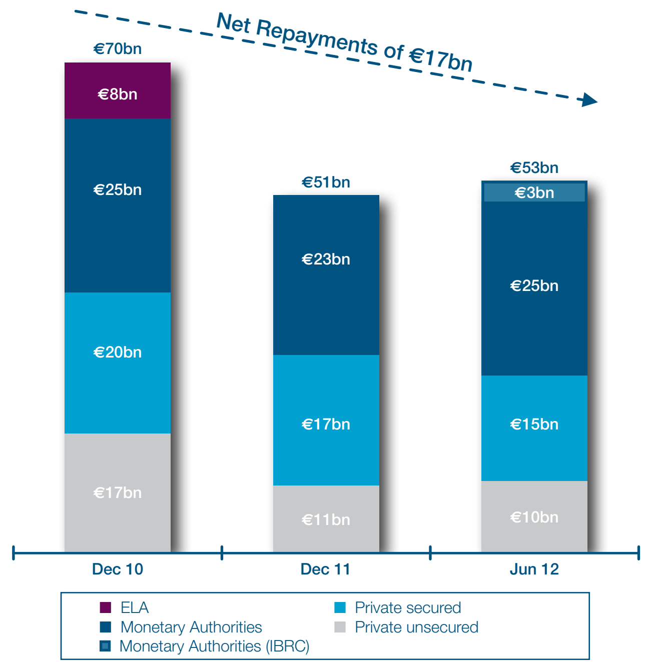
Corporate & Treasury

- Significant repricing implemented during H1 2012; further action underway/planned
- Volume in line with expectations

Wholesale Funding

Bank of Ireland Group

Wholesale Funding Profile



Wholesale Funding

- Increased by €2bn to €53bn at Jun 12
- Increase primarily reflects the IBRC repo transaction

Monetary Authority Funding

- No ELA since Dec 11
- €28bn of drawings includes:
  - Funded IBRC repo transaction - €2.8bn
  - LTRO funded investment in Irish bonds - €1.5bn
  - NAMA senior bonds of €4.7bn
- Term of ECB drawings extended by 3 year LTRO - €10.8bn (excluding €1.5bn Irish bonds)

Term Funding Ratio

- €17bn or 69% of Private Market wholesale funding had a remaining term to maturity of > 1 year at Jun 12

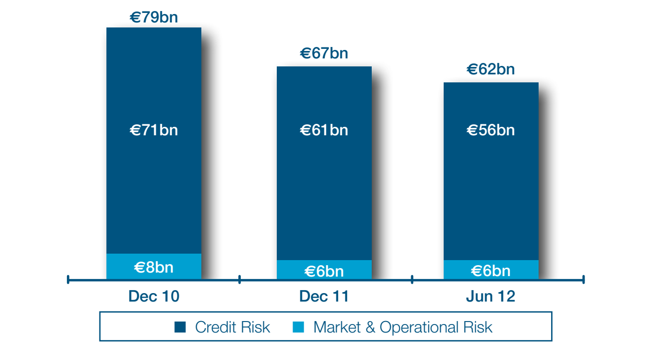
Unsecured Term Funding Maturity Profile

- 2012 - €0.4bn (during H2 2012)
- 2013 - €2.6bn
- 2014 - €0.1bn

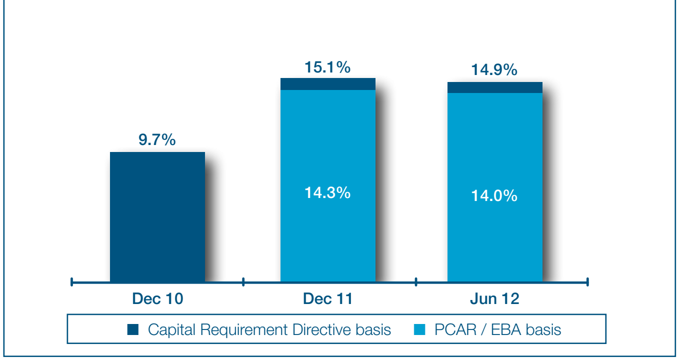
Capital

Bank of Ireland Group

Risk Weighted Assets



Core Tier 1 Ratio



Risk Weighted Assets (RWA)

- €5bn or 7.5% reduction in RWAs due to:
  - Reduction in loans and advances to customers
  - Impact of higher level of impaired loans
  - Partly offset by the impact of FX rates

Core Tier 1 Ratio

- Core tier 1 ratio of 14.9% at Jun 12 reflects:
  - Loss in the period
  - Partly offset by lower RWAs

Core Tier 1 Ratio (PCAR / EBA basis)

- Core tier 1 ratio of 14.0% compared to a PCAR requirement of 10.5%[1]

[1] As stated in the Financial Measures Programme the Central Bank has moved to a super equivalent definition of Core tier 1 "the Central Bank applied capital requirement rules and a definition of Core Tier 1 capital as prescribed by the Capital Requirement Directive, which is the prevailing regulatory standard in the EU. To increase conservatism the Central Bank has included all supervisory deductions, including 50:50 deductions"

Summary

Bank of Ireland Group

- Operating performance in current period impacted by interest rate environment, Government guarantee costs and economic conditions
- Pricing leadership demonstrated in materially reducing deposit rates in competitive Irish market
- Exceeded asset disposal target of €10bn ahead of schedule and below assumed cost
- Level of funding covered by ELG reduced by €6bn - less than 30% of funding now covered by this guarantee
- Investing strategically in our branch, mobile and online channels, our UK Post Office relationship and in customer service and efficiency initiatives
- Robust Core tier 1 ratio of 14.9%
- Excellent franchises and strong businesses - very well positioned in core markets to benefit from economic recovery

Strong Competitive Position - Delivering on Strategic Objectives

Additional Information

Additional Information

Bank of Ireland Group

- Divisional Performance
- Other Income Analysis (Net)
- Non-Core Charges
- Summary Balance Sheet
- Stockholders' Equity and Tangible Net Asset Value
- Impaired Loans and Impairment Provisions
- Basel III / CRD IV Impacts
- Contact Details

Divisional Performance

Bank of Ireland Group

H1 2012	Retail ROI €m	BIL €m	Retail UK €m	Corporate & Treasury €m	Group Centre €m	Total €m
Total income	486	82	203	346	(217)	900
Operating expenses	(429)	(46)	(194)	(96)	(77)	(842)
Operating profit pre-impairment	**57**	**36**	**9**	**250**	**(294)**	**58**
Impairment charges	(654)	-	(198)	(86)	(40)	(978)
Share of associates / JVs	(3)	-	16	-	-	13
Underlying[1] loss / profit before tax	**(600)**	**36**	**(173)**	**164**	**(334)**	**(907)**

H1 2011	Retail ROI €m	BIL €m	Retail UK €m	Corporate & Treasury €m	Group Centre €m	Total €m
Total income	592	22	280	390	(277)	1,007
Operating expenses	(431)	(50)	(185)	(113)	(64)	(843)
Operating profit pre-impairment	**161**	**(28)**	**95**	**277**	**(341)**	**164**
Impairment charges	(534)	-	(224)	(143)	-	(901)
Share of associates / JVs	-	-	15	-	-	15
Underlying[1] loss / profit before tax	**(373)**	**(28)**	**(114)**	**134**	**(341)**	**(722)**

[1] Underlying excludes non-core items

Other Income Analysis (net)

Bank of Ireland Group

	H1 2011 €m	H1 2012 €m	Change €m
Retail & Corporate Banking Businesses	259	264	5
Bank of Ireland Life	90	76	(14)
Recurring Business Income	349	340	(9)
Other Items (see below)	(69)	(19)	50
Other Income after IFRS classifications (net)	**280**	**321**	**41**
Other Items			
Fair value movements in derivatives hedging the Group's balance sheet	(60)	(50)	10
Exchange of Irish sovereign bonds	-	28	28
BIAM, BoISS and FCE Corporation (disposed during 2011)	30	-	(30)
Bank of Ireland Life			
▶ Economic assumption changes	(58)	(9)	49
▶ Investment variance	(10)	6	16
Change in valuation of international investment properties	15	6	(9)
NAMA related adjustments	14	-	(14)
	(69)	(19)	50

Retail & Corporate Banking Businesses

- Other income increased by €5m in H1 2012 compared to H1 2011 reflecting current levels of business activity

Bank of Ireland Life

- Operating income decreased by €14m in H1 2012 compared to H1 2011 due to lower sales and a change in the mix of products

Other Items

- Other items increased by €50m in H1 2012 compared to H1 2011 due to one off items in the current and prior year

Non-Core Charges

Bank of Ireland Group

Non-core charges

6 months ending	H1 2011 €m	H1 2012 €m
Loss on deleveraging of loan books	-	(206)
Gains / (losses) on disposal of business activities	74	(14)
BoI Credit Spreads	81	(125)
Cost of restructuring programmes	-	(66)
Gain on liability management exercises	11	52
Other items, net	-	11
Total non-core items	**166**	**(348)**

Loan book divestments achieved - 2011/2012

Loan Portfolios	Volume €bn	Loss €bn
UK Mortgages	2.0	(0.2)
Project Finance	1.9	(0.2)
UK Investment Property	1.6	(0.3)
US Investment Property	0.8	-
Burdale	0.7	-
Other international loans	3.5	(0.1)
Total	**10.5**	**(0.8)**

Average Discount		**7.9%**

Summary Balance Sheet

Bank of Ireland Group

Group Balance Sheet	Dec 2011 €bn	Jun 2012 €bn
▶ Loans and advances to customers (after impairment provisions)	102	98
▶ Liquid assets	31	35
▶ IBRC repo transaction	-	3
▶ BoI Life assets	12	13
▶ Other assets	10	9
Total Assets	**155**	**158**
▶ Customer deposits	71	72
▶ Wholesale funding	51	53
▶ BoI Life liabilities	12	13
▶ Subordinated liabilities	1	1
▶ Other liabilities	10	10
Total Liabilities	**145**	**149**
▶ Stockholders' equity	10	9
Total Liabilities and Stockholders' Equity	**155**	**158**

▶ Loan to deposit ratio	144%	136%
▶ Core tier 1 ratio (PCAR / EBA basis)	14.3%	14.0%

Stockholders’ Equity and Tangible Net Asset Value

Bank of Ireland Group

Stockholders’ Equity		Dec 11 €m	Jun 12 €m
▶ Stockholders’ equity at beginning of period		7,351	10,202
▶ **Movements:**	Net new equity raised	2,557	-
	Profit/(loss) attributable to stockholders	45	(1,094)
	Dividends paid on preference stock	(222)	(192)
	Pension fund obligations	(117)	(547)
	Available for sale (AFS) reserve movements	103	278
	Foreign exchange movements	180	138
	Cash flow hedge reserve movement	314	51
	Other movements	(9)	(3)
▶ Stockholders’ equity at end of period		**10,202**	**8,833**

Tangible net asset value		Dec 11 €m	Jun 12 €m
▶ Stockholders’ equity at end of period		10,202	8,833
▶ **Deductions:**	2009 Preference Stock	(1,837)	(1,837)
	Intangible assets	(380)	(364)
	1992 Preference Stock	(60)	(61)
	Own stock held for benefit of life assurance policy holders	15	15
▶ Tangible net asset value (TNAV)		**7,940**	**6,586**
▶ Number of shares		30,133	30,133
▶ TNAV per share (€ cent)		26c	22c

Impaired Loans & Impairment Provisions

Bank of Ireland Group

JUN 12

Loans and advances to customers Composition and impairment	Advances[1] €bn	Impaired Loans[2] €bn	Impaired Loans as % of advances	Impairment provisions €bn	Impairment Provisions as % of impaired loans
▶ Residential mortgages	56.5	2.4	4.2%	1.5	62%[3]
▶ ROI	27.6	2.3	8.2%	1.4	59%
▶ UK	28.9	0.1	0.4%	0.1	120%
▶ Non-property SME and corporate	24.8	4.2	17.2%	1.8	42%
▶ ROI	11.2	2.5	22.7%	1.2	46%
▶ UK	3.7	0.6	17.5%	0.2	32%
▶ Corporate Banking Ireland and UK	9.9	1.1	10.8%	0.4	38%
▶ Property and construction	20.1	8.5	42.2%	3.5	42%
▶ Investment	16.5	5.3	32.1%	1.7	32%
▶ Land and development	3.6	3.2	88.1%	1.8	58%
▶ Consumer	3.2	0.3	10.0%	0.3	82%
Total loans and advances to customers	**104.6**	**15.4**	**14.7%**	**7.1**	**46%**

DEC 11

Loans and advances to customers Composition and impairment	Advances[1] €bn	Impaired Loans[2] €bn	Impaired Loans as % of advances	Impairment provisions €bn	Impairment Provisions as % of impaired loans
▶ Residential mortgages	57.5	1.5	2.6%	1.2	79%[3]
▶ ROI	27.9	1.4	4.8%	1.1	76%
▶ UK	29.6	0.1	0.4%	0.1	105%
▶ Non-property SME and corporate	26.7	4.1	15.1%	1.7	43%
▶ ROI	11.5	2.4	20.3%	1.1	47%
▶ UK	3.7	0.6	16.5%	0.2	36%
▶ Corporate Banking Ireland and UK	11.5	1.1	9.5%	0.4	38%
▶ Property and construction	20.6	7.6	37.0%	3.2	42%
▶ Investment	16.9	4.6	27.0%	1.6	34%
▶ Land and development	3.7	3.0	82.6%	1.6	54%
▶ Consumer	3.3	0.3	10.2%	0.3	82%
Total loans and advances to customers	**108.1**	**13.5**	**12.5%**	**6.4**	**47%**

[1] Loans and advances to customers includes Other assets classified as Held for Sale.

[2] 'Impaired loans' are defined as loans with a specific impairment provision attaching to them together with loans which are more than 90 days in arrears (excluding residential mortgages).

[3] Coverage ratio on Residential mortgages including Residential mortgages with arrears greater than 90 days past due - Dec 11 - 34%; Jun 12 - 37%.

Basel III / CRD IV Impacts

Capital Definitions (Transition rules apply up to 2018)	Deferred Tax Asset	Future profits will reduce deferred tax asset
	Investments in Financials	Proposed sale of New Ireland Assurance would eliminate requirement for deduction
	Pension Deficits	Expected to reduce with contributions Currently impacted by low discount rates
	AFS Reserves	Expected to 'pull to par' as bonds mature
	Expected Loss Adjustment	Currently 50% of EL adjustment is deducted from Core tier 1 in arriving at Core tier 1 ratio (PCAR / EBA basis)
RWA Calculation	Credit Valuation Adjustment	Rules not yet finalised regarding application of CVA for corporate counterparties
	Financial Institutions Correlation	
Liquidity	Net Stable Funding Ratio	Managing to interim NSFR and LCR targets set by the Central Bank of Ireland
	Liquidity Coverage Ratio	

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