Bank of Ireland Group

Preliminary Results Announcement

For the year ended 31 March 2009

19 May 2009

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 and the markets in which it operates. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements sometimes use words such as 'aim', 'anticipate', 'target', 'expect', 'estimate', 'intend', 'plan', 'goal', 'believe', or other words of similar meaning. Examples of forward-looking statements include among others, statements regarding the Group's future financial position, income growth, business strategy, projected costs, estimates of capital expenditures, and plans and objectives for future operations. Because such statements are inherently subject to risks and uncertainties, 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, risks and uncertainties relating to profitability targets, prevailing interest rates, the performance of the Irish and UK economies and the performance and volatility of the international capital markets, the expected level of credit defaults, the Group's ability to expand certain of its activities, development and implementation of the Group's strategy, including the ability to achieve estimated cost reductions, competition, the Group's ability to address information technology issues and the availability of funding sources. 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 make in documents it has filed or submitted or may file or submit to the US Securities and Exchange Commission.

Bank of Ireland Group

Richie Boucher

Group Chief Executive

Turbulent trading conditions

Bank of Ireland Group

Global

- Unprecedented turbulence in financial markets - significant deterioration in economic conditions
- Rising concern over ability of banks to withstand increased impairment charges
- Market demands higher levels of capital
- Lehmans collapse and default on senior debt September 2008 – a 'watershed'
- Money-markets freeze
- Withdrawal of credit
- Widespread intervention by governments and financial authorities

Reduced liquidity

Falling asset prices

Falling demand

Lower investment

Rising unemployment

↓

Recession across our main markets

Ireland

- Severe slowdown in the pace of economic activity – property sector in particular
- Asset price reductions across property sector
- Rising unemployment
- Large fall in consumer demand
- Deterioration in fiscal position
- Credit downgrade to Sovereign debt rating
- Government responses including supplementary budget

Significant reduction in underlying profit

Bank of Ireland Group

Group Profitability

	Mar 09	vs Mar 08
Underlying PBT	€332m	(81%)
(Loss) / profit before tax	(€7m)	-
Underlying EPS	30.2c	(80%)
EPS	5.9c	-

Group Performance

	Mar 09	Mar 08
Impairment charge - loans and advances to customers	102bps	17bps
Cost / income ratio	52%	51%
Return on equity	5%	21%
Dividend on ordinary stock	-	63.6c

Capital

	Mar 09*	Mar 08
RWAs (€bn)	105	117
Core tier 1	9.5%	5.7%
Tier 1 ratio	12.0%	8.1%
Total capital ratio	15.2%	11.1%

Balance Sheet

	Mar 09	Mar 08
Wholesale funding / total assets**	40%	41%
Loans / deposits	161%	157%

Notes: * Post €3.5bn investment by Irish Government in Preference Shares (excluding this investment; Core tier 1 6.2%, tier 1 8.7% and total capital 11.9%);

** Total assets excluding BoI Life policyholder assets

Divisional performance

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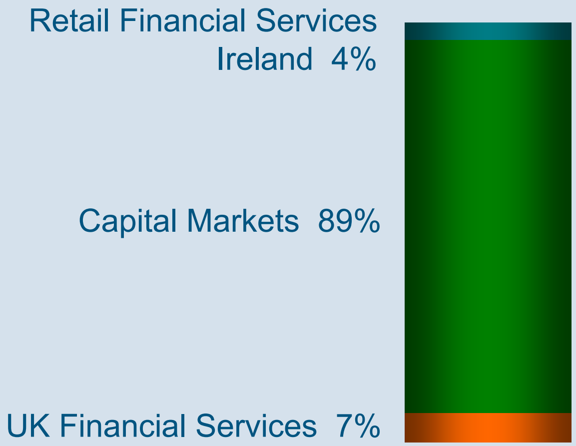
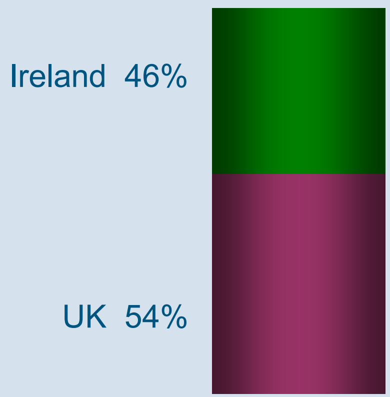
% of Group PBT by Division*



* Excludes Group Centre / Loss in Life Company

% of Group PBT by geography



Retail Ireland PBT	(97%) to €20m
Life PBT	(129%) to (€31m)
Capital Markets PBT	(27%) to €474m
UK Financial Services PBT	(97%) to £10m
(UK Financial Services PBT - € equivalent)	(92%) to €35m
Group Underlying PBT	(81%) to €332m

Series of supportive Irish Government initiatives

Bank of Ireland Group

Irish Government commitment to support systemically important banks

- September 2008 - guaranteed customer deposits, wholesale funding and certain other liabilities for 2 years - extension for certain issuance beyond September 2010 *(April 2009)*
- Invested €3.5bn in 8% coupon preference shares with warrants strengthening our capital base – following satisfactory due diligence and stress testing *(March 2009)*
- Providing framework to deal with property development, landbank and related assets through the National Asset Management Agency (NAMA) *(April 2009)*
  - *Bank of Ireland is actively and positively engaged with the Government in this process*

Stabilisation immediate management priority

Bank of Ireland Group

Priority		Progress	Metric*
Capital	▪ Re-capitalisation ▪ Balance sheet de-leverage ▪ Selective asset disposal	▪ Government investment of €3.5bn completed 31 March 2009 following extensive due diligence - including stress testing ▪ Withdrawn from intermediary-distributed UK mortgage business (Jan 09); winding down selected international portfolios ▪ Market conditions not currently conducive to asset disposals	Equity tier 1 6.2% Core tier 1 9.5% Total tier 1 12.0% Total capital 15.2%
Funding	▪ Funding effectively in challenging markets	▪ Distribution driving growth in franchise deposits ▪ Government Guarantee - a support to funding ▪ Continuing to build pool of contingent liquidity assets - €49bn	Deposits flat yoy** Loan / deposit ratio: 161% Term funding with maturity >1 year: 27%
Asset quality	▪ Rigorous management of asset quality	▪ Downside scenario estimates of impairment charge a likely outcome ▪ Engaging constructively with Government on NAMA	Estimated impairment charge of c.€6bn in 3 years to March 2011 – of which €1.4bn in the year to 31 March 2009
Costs	▪ Reduce absolute cost levels	▪ Rigorous control of all costs	Costs down 6% Staff numbers down 5% Variable pay significantly reduced

Note: * as at or year to March 2009 as appropriate; ** constant currency

Bank of Ireland committed to rebuilding trust

Bank of Ireland Group

- Strategic bias is Ireland and our international businesses where Bank of Ireland has clear competitive strengths and capabilities
- Core franchise in Ireland remains strong
  - Leading distribution capability
  - Capable and committed staff delivering service and sales excellence
  - Broadest product offering
- Strong positions in selected international businesses
  - UK Post Office – most trusted brand and extensive distribution network
  - UK Business Banking – established niches in leisure, healthcare and professional services
  - International - focus on project finance, mid-market acquisition finance and asset based lending (Burdale)
- We recognise our customers needs are changing – and we are responding to this – in particular in support of the Irish economy

Ireland

Bank of Ireland is no. 1 or no. 2 in all our product and market segments across all business units

	Market Share	Market position
Personal Current Accounts	38%	No.1
Deposits / Credit Balances	27%	Joint No.1
Mortgages	19%	No.1
Business Current Accounts	36%	No.2
Life, Pensions & Investments	22%	No.2
Multinationals Current Accounts	>60%	No.1
Business Foreign Exchange	>25%	No.2

International businesses - clear competitive strengths and capabilities

UK Post Office Financial Services	• over 2m customers • £7.8bn deposits • 760k savings customers • 775k insurance customers
International Corporate Banking	• Deal of the year – UK Large Loans *The Treasurer* • European Waste Deal of the Year 2008 *Project Finance*

John O'Donovan

Chief Financial Officer

Today's presentation of preliminary results

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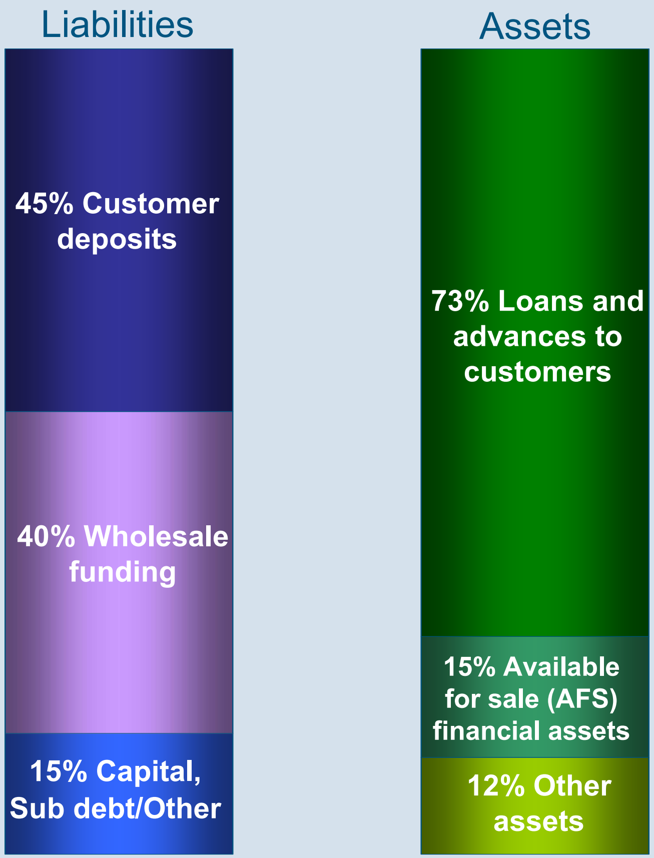
Total Balance Sheet*

€184 billion at 31 March 2009



Section 1:

Asset Quality

Loans and advances to customers

Section 2:

Funding and capital

Section 3:

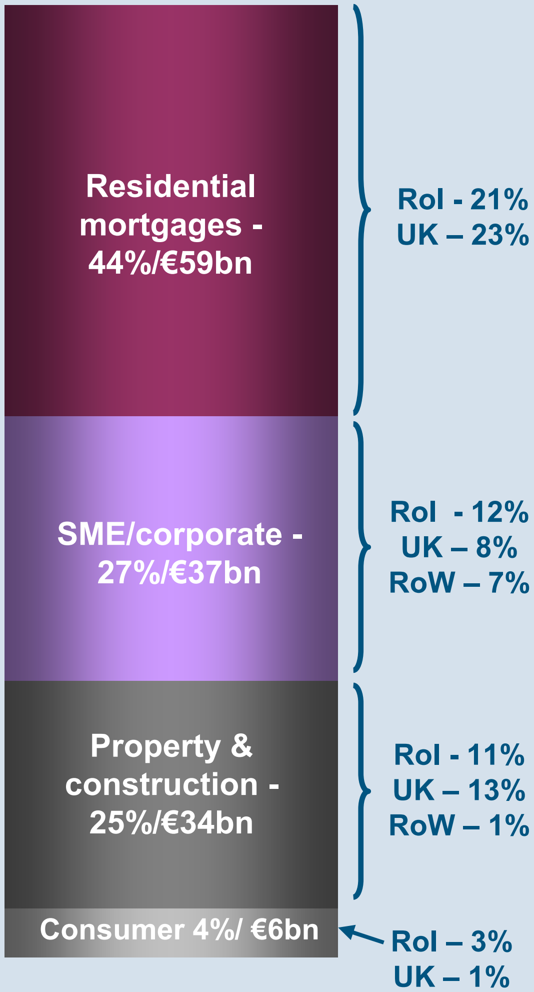
Income Statement

* Excludes Life funds held on behalf of policyholders: March 09 €9.7bn

Section 1: Asset Quality

Profile of loans & advances to customers - €136bn at March 2009

Bank of Ireland Group



Group loan book

- Group loan book €136bn (*before provisions €1.8bn*) at 31 March 2009
- Significant residential mortgage book - 44% of the loan portfolio, 21% in Ireland and 23% in the UK
- Lending to SME/corporate sectors is 27% of the loan portfolio - 12% in Ireland, 8% in the UK and 7% in RoW
- 25% of loan book in Property & construction lending - 11% in Ireland, 13% in the UK (NI & GB) and 1% RoW
- 4% of loan book is consumer lending which includes credit cards, personal loans and motors loans - 3% in Ireland and 1% in the UK
- Sector profile of book broadly the same as September 2008 & March 2008

Group loan book grade profile

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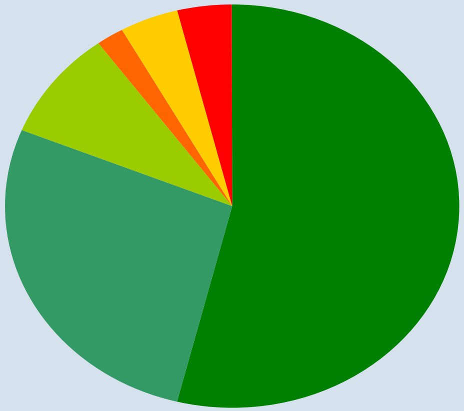
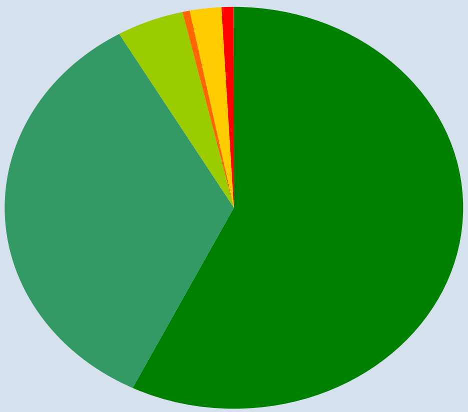
Mar 09 (€136bn)*

- High quality 53.5%
- Satisfactory 27.3%
- Acceptable 9.3%
- Lower quality but not past due/ impaired 1.7%
- Past due but not impaired** 4.3%
- Impaired*** 3.9%



Mar 08 (€136bn)*

- High quality 57.2%
- Satisfactory 34.5%
- Acceptable 4.8%
- Lower quality but not past due/ impaired 0.5%
- Past due but not impaired** 2.2%
- Impaired*** 0.8%



Quantum of ‘challenged’ loans were €15.7 billion at 31 March 2009 compared to €4.1 billion at 31 March 2008

‘Challenged’ loans include ‘impaired’ loans, together with elements of ‘past due but not impaired’ loans, ‘lower quality but not past due / impaired’ loans, and loans at the lower end of ‘acceptable’ quality which are subject to increased credit scrutiny

Year on year change of €11.6 billion is due to an increase of €4.3 billion in ‘impaired loans’ with the balance attributable to the impact of general economic conditions on arrears and downward grade migration across the portfolio

* Note: Pre balance sheet provisions (Mar 09: €1.8bn; Sept 08: €0.8bn; Mar 08: €0.6bn)
** Note: ‘Past due but not impaired’ defined as loans where repayment of interest and/or principal are overdue by at least one day but on which the Group does not expect to incur a loss.
*** Note: ‘Impaired’ loans: loans with a specific impairment provision attaching to them together with loans (excluding residential mortgages) which are more than 90 days in arrears

Stock of balance sheet provisions and impairment charge – loans and advances to customers

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	Group		Retail Ireland		Capital Markets		UK Financial Services	
	Mar 09	Mar 08	Mar 09	Mar 08	Mar 09	Mar 08	Mar 09	Mar 08
Total loans and advances to customers *(point in time)* (€bn)	136	136	55	54	29	26	52	56
Impaired loans (€m)	5322	1062	2891	642	1266	193	1165	227
Stock of balance sheet provisions (€m)	1781	596	997	379	330	133	454	84
Stock of balance sheet provisions / total impaired loans (%)	33	56	34	59	26	69	39	37
Impairment charge (€m) *(12-months)*	1435	227	708	146	305	48	422	33
Impairment charge (bps)	102	17	129	28	108	19	73	6

Impairment by portfolio

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Mar 09 – 102bps

Residential mortgages – 20bps
Ireland - 23bps
UK - 20bps

SME/corporate - 94bps

Property & construction – 211bps
of which
Investment - 61bps
Development/landbank – 493bps

Consumer - 308bps

Mar 08 – 17bps

Residential mortgages – 1bp
Ireland – 1bp
UK - 1bp

SME/corporate – 25bps

Property & construction – 17bps
of which
Investment - 5bps
Development/landbank – 37bps

Consumer - 110bps

- Total loans and advances to customers - €136bn at 31 March 2009; €136bn at 31 March 2008
- Group impairment charge on loans and advances to customers year ended 31 March 2009 - €1,435m or 102bps; year ended 31 March 2008 - €227m or 17bps

	Mar 09	**Mar 08**
Residential Mortgages	€127m	€5m
-Republic of Ireland	*€61m*	*€2m*
-UK	*€64m/£58m*	*€3m/£2m*
SME/Corp	€344m	€83m
Property & Construction	€766m	€60m
-Investment	*€143m*	*€11m*
-Development/Landbank	*€634m*	*€49m*
Consumer	€198m	€79m
Total	**€1435m**	**€227m**

UK Residential mortgages – £29bn/€31bn March 2009

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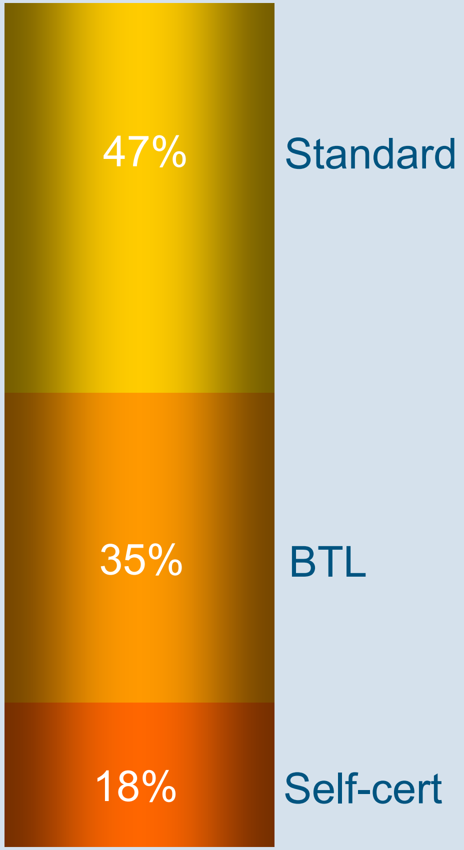
Book - segment split



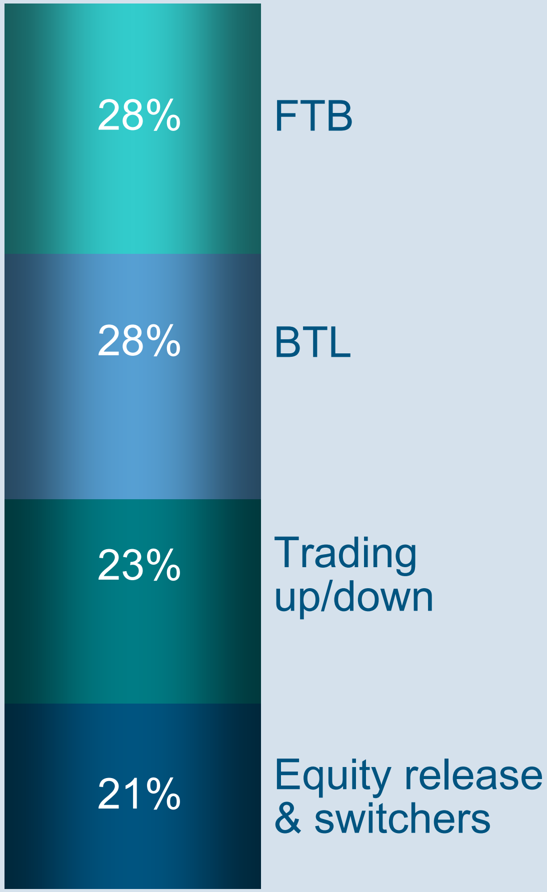
- UK mortgages 52% of total Group mortgages (23% of Group loans and advances to customers)
- Book growth slowing - withdrawal from intermediary sourced mortgage business (Jan 09) - strategic decision to de-leverage Group balance sheet
  - Mar 09 vs Mar 08: ↑7%
  - Mar 09 vs Dec 08: 0% (annualised)
  - Mar 09 vs Sept 08: ↑1% (annualised)
  - Sept 08 vs Mar 08: ↑13% (annualised)
- House prices fell 15.7% yoy to March 2009; down 18.9% since peak in October 2007 *(Nationwide)*
- Asset quality:

Arrears – greater than 3 months in arrears				
	Mar 09	**Dec 08**	**Sept 08**	**Mar 08**
Book - BoI	148bps	118bps	75bps	63bps
CML	239bps	188bps	142bps	118bps
Buy to let - BoI	173bps	140bps	80bps	57bps
CML	309bps	231bps	156bps	92bps
Self Cert - BoI	366bps	263bps	164bps	139bps
Standard- BoI	80bps	66bps	50bps	49bps

  - Impairment charge 20bps March 2009 (6bps annualised Sept 08; 1bp Mar 08)
  - Repossessions
    - Bank of Ireland has 267,000 mortgages in the UK
    - At Mar 09 – 388 properties or 0.15% of the portfolio in possession
    - 619 new repossessions in full year to 31 Mar 09
    - 257 new repossessions in Quarter to 31 Mar 09 (62 in Apr 09)

Irish Residential Mortgages – €28bn March 2009

Book - segment split



- Irish mortgages 48% of total Group mortgages (21% of total Group loans and advances to customers)
- Book growth in line with the market:
  - Mar 09 vs Mar 08: ↑5%
  - Mar 09 vs Dec 08: ↑1% (annualised)
  - Mar 09 vs Sept 08: ↑4% (annualised)
  - Sept 08 vs Mar 08: ↑6% (annualised)
- New business product split:
  - full year to Mar 09: 24% FTB; 24% Trade-up/down; 24% BTL: 28% Equity release/switchers
  - full year to Mar 08: 24% FTB; 24% Trade-up/down; 29% BTL: 23% Equity release/switchers
- House prices fell 10% yoy to March 2009; down 18% to date from peak in February 2007 *(PTSB)* - official statistics trailing actual market
- Negative equity
  - 12,200 mortgages in negative equity representing €3.4bn total mortgage loans – quantum of net negative equity €355m
  - Circa €900m FTB 100% mortgages, representing 3,200 mortgages – c.€174m negative equity
- Asset quality
  - Arrears – 90 days or more past due:
    - Book: 192bps Mar 09 (91bps Sept 08; 70bps Mar 08)
  - Impairment charge: 23bps Mar 09 (2bps annualised Sept 08; 1bp Mar 08)
  - Repossessions:
    - Bank of Ireland has 195,700 mortgage accounts in Ireland
    - At Mar 09 – 6 properties in possession
    - 5 new repossessions in the full year to 31 Mar 09 (voluntary)

Property & construction lending – €34bn March 2009

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Geographic and sector profile*

	Investment	Development	Landbank	Total
Ireland				
Landbank	-	-	10%	10%
Residential	4%	7%	-	11%
Commercial	21%	3%	-	24%
Total Ireland	**25%**	**10%**	**10%**	**45%**
UK (GB/NI)				
Landbank	-	-	5%	5%
Residential	5%	7%	-	12%
Commercial	30%	3%	-	33%
Total UK (GB/NI)	**35%**	**10%**	**5%**	**50%**
Total other	**5%**	**-**	**-**	**5%**
TOTAL	**65%**	**20%**	**15%**	**100%**

* Note: Slide 50 provides geographic and sector profile of property & construction lending in € amounts

Overall portfolio – March 2009

- Property & construction lending of €34bn – 25% of the Group loan book at 31 March 2009
- Bias towards investment lending – €22bn or 65% of portfolio – impairment increased with pressure emerging in retail and office properties
- Development and landbank portfolio – €12bn or 35% of portfolio – portfolio more negatively impacted by property asset re-pricing with rising impairment in landbank and residential development portfolios in particular

Property & construction – Investment lending €22bn March 2009

65% of total property & construction lending of €34bn

Bank of Ireland Group

Property & construction investment lending - Geographic and sector profile

	Investment
Ireland	
Landbank	-
Residential	6%
Commercial	33%
Total Ireland	**39%**
UK (GB/NI)	
Landbank	-
Residential	8%
Commercial	46%
Total UK (GB/NI)	**54%**
Total Other	**7%**
TOTAL	**100%**

Investment portfolio

- Investment lending €22bn – 65% of property & construction loans
- Geographic profile
  - 39% in Ireland, 54% in the UK and 7% US/Europe
- Impairment charge of 61bps at 31 March 2009 – pressure emerging in retail and office portfolios
- Key risks – rising office vacancy levels and lower retail sales
- Commercial investment – Ireland €7.2bn
  - Portfolio well diversified – good quality tenants & spread of properties
  - c.45% retail; 30% office; 11% industrial; 14% other
- Commercial investment – UK €10.1bn & RoW €1.5bn
  - Portfolio well diversified – good quality tenants
  - c.66% retail, 16% office, 4% industrial, 14% other
- Residential investment – €2.9bn *(UK €1.7bn & Irl €1.2bn)*
  - Concentration in SME lending, housing associations and student accommodation - mainly houses rather than apartments
  - Properties well spread with good tenant profile

Property & construction – Development and landbank €12bn March 2009

35% of total property & construction lending of €34bn

Bank of Ireland Group

Development and landbank lending - Geographic and sector profile

	Development	Landbank	Total
Ireland			
Landbank	-	29%	29%
Residential	18%	-	18%
Commercial	9%	-	9%
Total Ireland	**27%**	**29%**	**56%**
UK (GB/NI)			
Landbank	-	15%	15%
Residential	19%	-	19%
Commercial	8%	-	8%
Total UK (GB/NI)	**27%**	**15%**	**42%**
Total Other	**2%**	**-**	**2%**
TOTAL	**56%**	**44%**	**100%**

Development and landbank portfolio

- Development and landbank lending €12bn – 35% of property & construction loans
- Impairment charge of 493bps year ended 31 March 2009
- Profile of development and landbank portfolio
  - 56% in Ireland, 42% in the UK and 2% US/Europe
  - 56% in development and 44% in landbank
- Commercial development – €2.1bn *(Irl €1.1bn/UK €1bn)*
  - Risk significantly mitigated through pre-sales/pre-lets
- Landbank – €5.3bn *(Irl €3.6bn and UK €1.7bn)*
  - Exposures largely cross-collateralised but subject to severe stress in poorer economic climate
- Residential development – €4.6bn *(Irl €2.2bn/UK €2.4bn)*
  - Most sensitive to house price declines
  - Limited exposure to partly completed stock

Asset quality across other lending portfolios March 2009

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SME/ corporate lending €37bn	▪ SME/corporate lending portfolio of €37bn - 43% Ireland, 30% UK and 27% RoW ▪ SME portfolio in UK and Ireland although well diversified across a range of sectors is impacted by general downturn in levels of economic activity ▪ Corporate lending – senior debt lender focusing on a range of specialist portfolios – mid-market leveraged acquisition finance, global project finance, corporate Ireland, and specialist niche lending including media, maritime, asset backed lending ▪ Impairment charge 94bps in year to 31 March 2009 – loss trends within expected ranges for current point in recessionary cycle – will trend upwards
Consumer lending – unsecured €6bn	▪ 4% of loans and advances to customers – €6bn ▪ Includes personal loans, overdrafts, motor loans and credit cards ▪ Significant deterioration in asset quality from 110bps in March 2008 to 308bps to March 2009 ▪ Tightening credit criteria and enhanced management of arrears

Outlook for asset quality

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- In February 2009 - we indicated an expected loan impairment charge of c. €4.5 billion in the 3 year period to March 2011, indicating that if key economic indicators deteriorated there was downside risk to this estimate of up to an additional €1.5 billion
- Given the change to consensus economic forecasts, particularly in Ireland, we believe the more likely outcome is now circa €6 billion in the 3 year period to March 2011
- Downside risk to this estimate arises in the event of even further deterioration in economic conditions or further prolonged low levels of activity in residential and commercial property markets

Economic assumptions
(circa €6bn loan losses)

Ireland

House price falls peak to trough – 45%

Average Unemployment
2009 13%
2010 14%

GDP – growth not expected before 2011

United Kingdom

House prices falls peak to trough – 35%

Average Unemployment
2009 8%
2010 10%

GDP – low growth not expected before 2010

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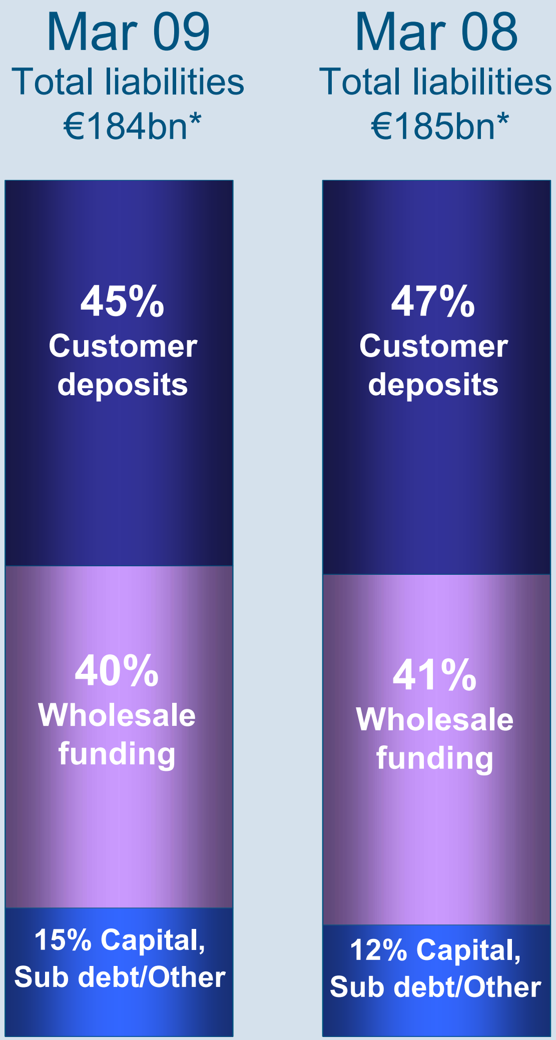
Section 2: Funding and capital

Balance sheet funding



Balance sheet funding

- Growth in assets subject to
  - Increase in customer deposits
  - Availability and quality of wholesale funding
  - Maintenance of prudent liquidity buffers
- Maintaining and building robust contingent liquidity pool

Challenging funding markets

- Volatile markets - collapse of Lehmans in Sept 2008
- Irish Government Guarantee for deposits and certain liabilities introduced in Sept 2008
- Prioritising gathering of customer deposits. Higher than usual deposit inflows in quarter to Dec 08 – these inflows unwound in Jan / Feb 09 following rating agency actions and nationalisation of Anglo Irish Bank. Deposit levels stabilised in late Feb / early Mar 09
- Wholesale funding – €74bn March 2009; €75bn March 2008
- Enhancing contingent liquidity position – eligible collateral pool of €49bn at March 2009

* Excludes Life funds held on behalf of policyholders: Mar 09 €9.7bn, Mar 08 €12.8bn

Group deposits

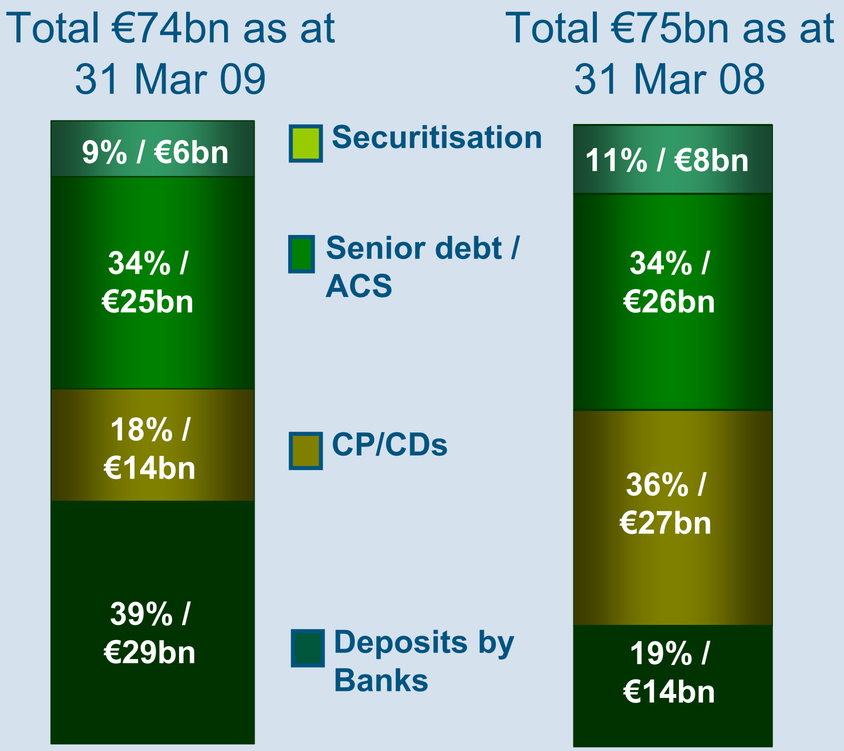
Bank of Ireland Group

Divisional profile of deposits (constant currency at Mar 08 exchange rates)			
	Mar 09	Mar 08	yoy % growth
Group total	**€86bn**	**€86bn**	**flat**
Retail Ireland	€33.4bn	€33.0bn	1%
- Deposits	*€23.0bn*	*€21.0bn*	*10%*
- Credit Balances	*€10.4bn*	*€12.0bn*	*(13%)*
Capital Markets	€28.2bn	€32.1bn	(12%)
UK Financial Services (UKFS)	€24.1bn (£19.2bn)	€21.1bn (£16.7bn)	15%
- BBUK	*£11.0bn*	*£12.8bn*	*(14%)*
- POFS	*£7.8bn*	*£3.3bn*	*136%*

Competitive and price-sensitive deposit markets

- Deposits at March 2009 in line with March 2008 *(constant currency)*
- Gaining market share in Irish resources - 27% of total market for deposits/credit balances – extensive distribution capability with leading and trusted franchise
- Retail Ireland – resources growth of 1%
  - Deposits increased 10% driven by distribution and trusted franchise; current account credit balances decreased 13% due to lower pace of economic activity
- UKFS – deposit growth of 15%
  - Strong deposit growth of 136% to £7.8bn in UK Post Office Financial Services - extensive distribution and franchise key growth drivers
  - UK Business Banking down 14% to £11bn
- Capital Markets down 12% to €28.2bn

Wholesale funding profile



Maturity profile

	Mar 09	Mar 08
<1yr	73%	67%
1-3yrs	16%	16%
3-5yrs	7%	10%
5-7yrs	3%	3%
>7yrs	1%	4%

- Wholesale funding decreased from €75bn at March 2008 to €74bn at March 2009
- 27% of wholesale funding has a maturity greater than one year at March 2009
- €8.4bn term funding raised during the year to March 09 – weighted average duration 1.7 years, cost of 3mth euribor + circa 66bps
- Public benchmark deals:

a) In June 2008, issued €1.25bn senior unsecured 2 year FRN at a cost of 3mth euribor + 105bps

b) In November 2008, issued €2bn senior unsecured 21mth Government Guaranteed transaction at mid swaps + 65bps

c) In April 2009, issued a further €1bn tap of b) above at a cost of mid swaps + 185bps

Funding position

Bank of Ireland Group

Funding metrics	Mar 09	Sept 08	Mar 08
Loan to deposit ratio	161%	159%	157%
Customer deposits as % of total assets*	45%	47%	47%
Wholesale funding as % of total assets*	40%	41%	41%
% customer loans funded by customer deposits and term funding (funding with remaining maturity >1year)	77%	79%	82%
Term funding > 1 year, subordinated debt and customer deposits / loans and advances to customers	83%	84%	87%

*Note: Total assets excluding BoI Life policyholder assets

Capital position

Bank of Ireland Group

Strengthening capital position

- Government supported recapitalisation – investment of €3.5bn in 8% coupon preference stock and warrants over 25% of enlarged ordinary stock
- Balance sheet de-leverage - ceased intermediary-driven UK mortgage distribution and exiting non-core international lending niches (Jan 09)
- Issued £450m lower tier 2 capital in August 2008 and redeemed €600m lower tier 2 capital in December 2008
- Cancelled dividend on ordinary stock
- Actively managed risk-weighted assets

Capital – Basel II

	Mar 09		Mar 08	
	%	€bn	%	€bn
Equity tier 1	6.2%	6.5	5.6%	6.6
Core tier 1 capital	9.5%	10.0	5.7%	6.6
Tier 1 capital	12.0%	12.6	8.1%	9.4
Total capital	15.2%	16.0	11.1%	13.0
RWA		105		117

Section 3: Income Statement

Group Income Statement

Bank of Ireland Group

Group Income Statement
(including non-core items)

	Mar 09 €m	Mar 08 €m	% Change
Total income*	3957	4276	(7)
Operating expenses	(2409)	(2157)	12
Operating profit pre-impairment	**1548**	**2119**	**(27)**
Impairment charge – loans and advances to customers	(1435)	(227)	
Impairment charge-AFS/other	(78)	(5)	
Associates/JVs *post-tax*	(42)	46	
(Loss) / profit before tax	**(7)**	**1933**	**(100)**
Total non-core items	339	(139)	
Underlying PBT	**332**	**1794**	**(81)**

Non-core items

Total income	**Mar 09 €m**	**Mar 08 €m**
Profit on disposal of business assets	-	33
Gross-up for policyholder tax in the Life business	(76)	(60)
Investment return on treasury stock held for policyholders in BoI Life	131	189
Hedge ineffectiveness on transition to IFRS	(7)	(6)
Non-core items in income	**48**	**156**

Group Income Statement
(excluding non-core items)

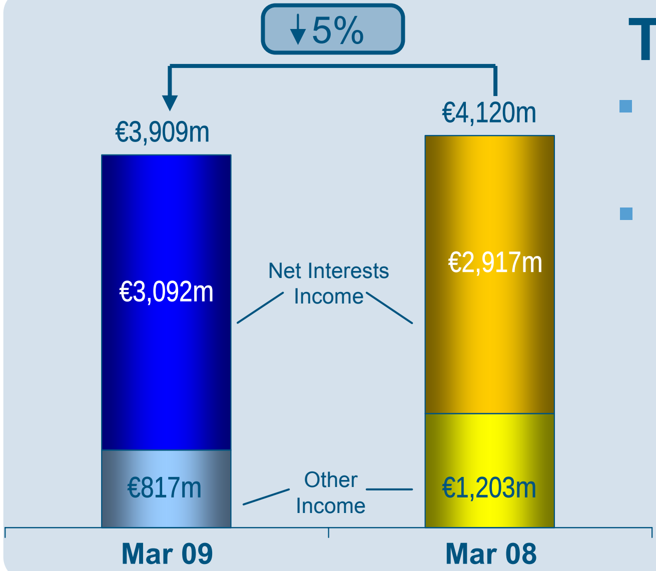
	Mar 09 €m	Mar 08 €m	% Change
Total income*	3909	4120	(5)
Operating expenses	(2022)	(2140)	(6)
Operating profit pre-impairment	**1887**	**1980**	**(5)**
Impairment charge – loans and advances to customers	(1435)	(227)	
Impairment charge-AFS/Other	(78)	(5)	
Associates/JVs *post-tax*	(42)	46	
Underlying PBT	**332**	**1794**	**(81)**

Operating expenses	**Mar 09 €m**	**Mar 08 €m**
Goodwill impairment	(304)	-
Restructuring programme	(83)	(17)
Non-core items in operating expenses	**(387)**	**(17)**
Total non-core items	**(339)**	**139**

* Net of increase in insurance contract liabilities and claims

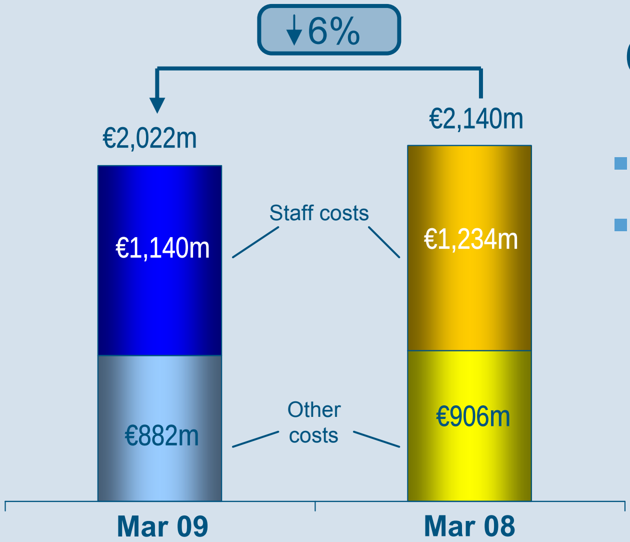
Total income & operating expenses

Bank of Ireland Group



Total income (excluding non-core items)

- Strong net interest income growth* ↑6% offset by weaker 'other income'* ↓32%
- Income drivers:
  - Positive impact of improved lending margins and strong treasury performance
  - Reduced fees in Business and Corporate Banking; negative investment valuation variance (€117m); lower fees in asset management; impairment of investment properties held for re-sale (€46m); Lehmans collapse (€39m); cost of Government Guarantee (€66m)
  - Reduced volume growth across the Group:
    - Deposits: ↓ 4%; Loans: ↓1%

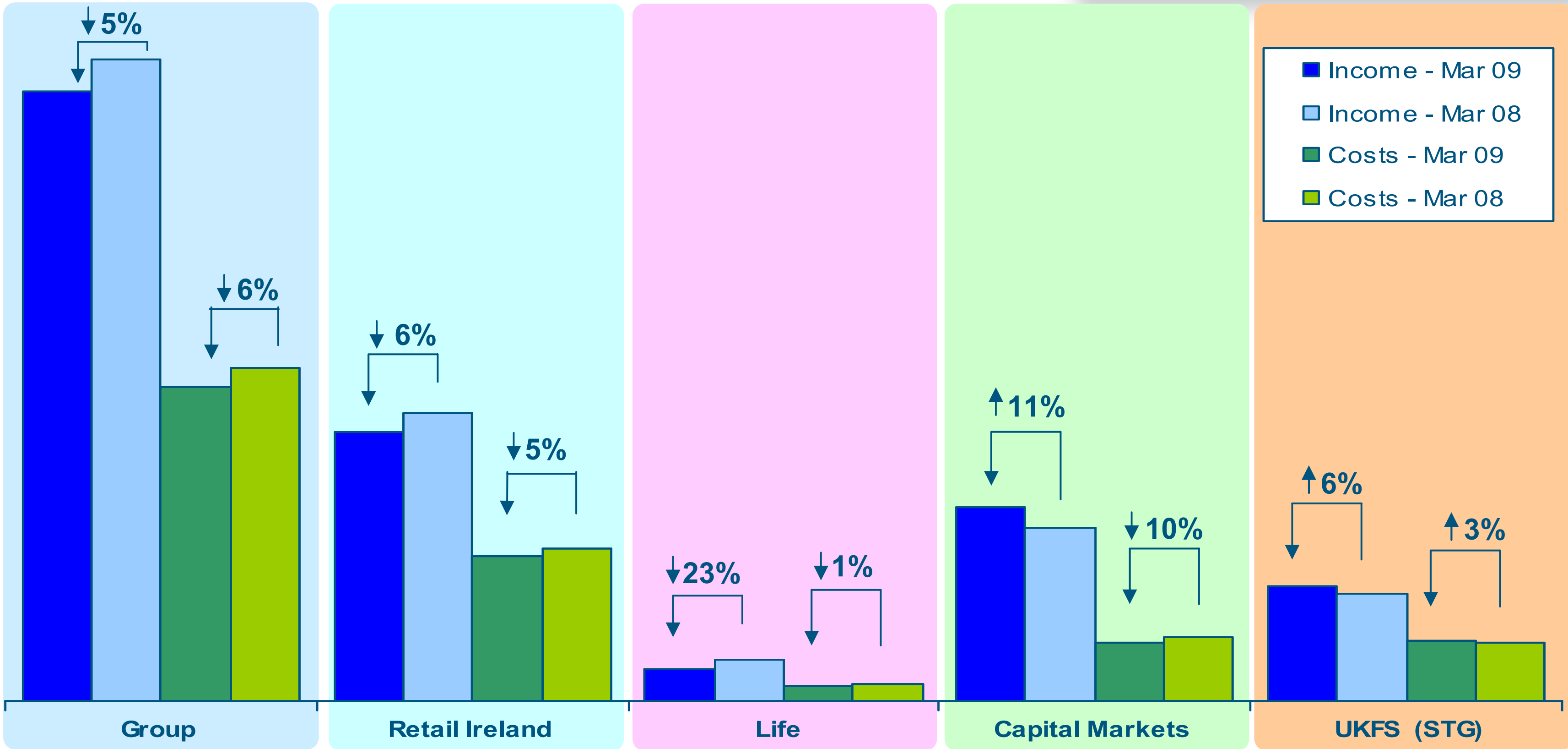


Operating expenses (excluding non-core items)

- Rigorous cost control with costs ↓6%
- Cost drivers:
  - Staff costs ↓8% reflecting lower headcount, lower variable pay partly offset by higher pension costs
  - Rigorous control of other expenditure leading to non-staff cost decrease of 3%

*Note: Commentary on performance quoted after impact of IFRS income classification between net interest income & other income

Divisional income and cost growth



Cost income ratio*	Mar 09	Mar 08
Group (incl. investment variance in the Life Co.)	52%	51%
Retail Ireland	56%	53%
Life (excl. investment variance)	51%	40%
Capital Markets	31%	37%
UKFS (STG)	51%	52%

* Excluding non-core items

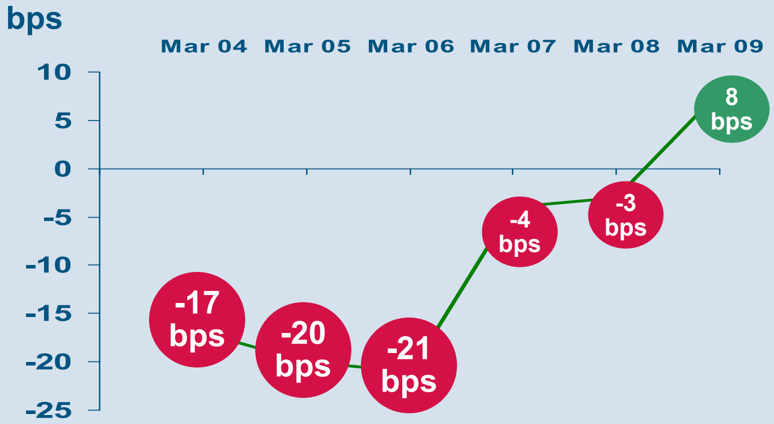
Net interest margin

Bank of Ireland Group

Net interest margin

	Mar 09	Mar 08
Net interest income (after impact of IFRS income classifications)	€3092m	€2917m
Average interest earning assets	€177bn	€175bn
Net interest margin	1.74%	1.66%

Margin movement



Margin improvement - drivers

	Mar 09 vs Mar 08 (bps)
Balance sheet structure/asset mix	+6
Lending margins	+8
Improved treasury margin	+5
Higher funding costs associated with market dislocation	-4
Liability spreads	-7
Net interest margin improvement	+8bps

(Loss)/profit before tax by Division

Bank of Ireland Group

(Loss)/profit before tax by Division

	Mar 09 €m	Mar 08 €m	% Change
Retail Ireland	20	716	(97)
Bank of Ireland Life	(31)	108	(129)
Capital Markets	474	651	(27)
UKFS (euro equivalent)	35	463	(92)
UKFS (Stg£)	*(£10m)*	*(£330m)*	*(97)*
Group Centre	(166)	(144)	(15)
Underlying Profit before tax	332	1794	(81)
Non-core items*	(339)	139	-
(Loss)/profit before tax	(7)	1933	-

* See slide 31 for analysis of non-core items

Retail Ireland

Bank of Ireland Group

Retail – Income Statement

	Mar 09 €m	Mar 08 €m	% Change
Net interest income	1452	1429	
Other income	277	417	
Total income	1729	1846	(6)
Operating expenses	(931)	(983)	(5)
Operating profit before impairment charge	**798**	**863**	**(8)**
Impairment charge	(708)	(146)	
Share of Associates and Joint Ventures	(70)	(1)	
Profit before tax	20	716	(97)

- Adverse impact of rapid and severe contraction in Irish economy, property market downturn, stock market weakness & higher funding costs
- *Net interest income ↓1% – tighter liability spreads, higher funding costs, modest volume growth
  - Lending flat yoy with mortgages ↑5%; business lending ↑1%; consumer lending ↓7%
  - Customer accounts ↑1% with deposits ↑10%; credit balances ↓13%
- *Other income ↓24% – impairment of investment properties held for re-sale, reduced insurance sales and higher claims, lower levels of fee-generating sales activity,
- Costs ↓5% – staff numbers reduced significantly (↓6%)
- Impairment charge 129bps March 2009 (28bps Mar 08)
  - Mortgages 23 bps Mar 09 (1 bps Mar 08)
  - Business Banking 210bps Mar 09 (33bps Mar 08)
  - Consumer lending 416bps Mar 09 (195bps Mar 08)
- Share of Associates and Joint Ventures – (€70m) relating principally to a negative mark to market of an investment in a property unit trust

*Note: Commentary on performance quoted after impact of IFRS income classification between net interest income & other income

Bank of Ireland Life

Bank of Ireland Group

BoI Life – Income Statement

	Mar 09 €m	Mar 08 €m	% Change
Operating income	210	274	(23)
Operating expenses	(108)	(110)	(1)
Operating profit	102	164	(38)
Investment valuation variance	(117)	(50)	
Discount & other rate changes	(16)	(6)	
(Loss)/profit before tax*	(31)	108	(129)

- Significant reduction in operating profit and profit before tax
- Income impacted by continued volatility in equity markets
  - Lower volumes of new business
    - APE sales ↓44% to March 2009
      - Regular Premium sales (↓36%)
      - Single Premium sales (↓53%)
  - Lower funds under management
  - Higher policy lapses
- Rigorous cost control
- Negative investment valuation variance – increase from (€50m) to (€117m)
- Discount rate increased from 8% to 9% in line with long term bond yields

* Underlying Loss before tax

Capital Markets

Bank of Ireland Group

PBT – Business Analysis

	Mar 09 €m	Mar 08 €m	% Change
Corporate Banking	247	375	(34)
Global Markets	246	221	11
Asset Management	(14)	66	
Division Centre	(5)	(11)	
Profit before tax*	474	651	(27)

- Strong operating profit pre-impairment ↑23%
  - Income ↑11%: strong performance in Corporate Banking & Global Markets
  - Costs ↓10%: lower variable compensation, scale-back in international activities & tight control of spend
- Lending ↑10%; deposits ↓10%
- Deteriorating asset quality
  - Impairment charge on loans & advances to customers €305m/108bps (Mar 08: €48m/19bps)
  - Impairment charge on AFS / Other €78m (Mar 08: €5m)
- Capital Markets profit before tax ↓27%

Corporate Banking

- Operating profit before impairment ↑32%
  - Income ↑23% – strong growth in lending and higher margins. Lending ↑10% – pace of growth slowing
  - Good cost control – costs ↓7%
- Impairment charge of €305m / 108bps (Mar 08: €48m / 19bps)
  - Over 60% of the increased charge relates to property and construction

Global Markets

- Operating profit ↑40%
  - strong income performance in volatile markets – growth in third party customer business & good positioning in falling interest rate environment
- PBT ↑11%
  - Impairment charge of €63m primarily Washington Mutual and Icelandic Banks

Asset Management

- Loss due to:
  - lower assets under management – weak equity markets & some international mandate losses
  - Lehmans collapse – €32m negative impact

* Underlying PBT

UK Financial Services (Sterling)

Bank of Ireland Group

PBT – Business Analysis

	Mar 09 £m	Mar 08* £m	% Change
Business Banking	(81)	181	(145)
Mortgage Business	92	132	(30)
Consumer Financial Services	48	46	4
Division Centre	(49)	(29)	
Profit before tax**	10	330	(97)

**Note: Divisional PBT performance of UK Financial Services (UKFS) and Group Centre are restated to reflect the corporate restructuring of Bristol & West plc undertaken to obtain the optimum capital and funding treatment for the Group under Basel II. For the 12 months ended 31 March 2008, this restatement reduces the UKFS PBT to £330 million from £353 million and it reduces Group Centre's loss by an equivalent amount.*

Business Banking

- Operating profit ↑6% - strong cost management
- Loss before tax of £81m
- Impairment charge of £292m March 2009 vs £18m March 2008
  - 84% of impairment charge in landbank & residential development portfolio

Mortgages

- PBT ↓30% – driven by reduced early redemption income, higher loan losses and increased funding costs – partly offset by enhanced new lending margins
- Slowing volume growth – ceased broker mortgage distribution in January 2009
- Impairment charge of £58m/20bps (Mar 08: £2m/1bp

Consumer Financial Services

- POFS – strong growth in savings & insurance products – 2 million customers; deposits ↑136% to £7.8bn
- FRES – challenging year, impact of recession & sterling weakness on travel & demand for currency

**Underlying PBT

Outlook

- Facing into a difficult year
  - Lower levels of business activity
  - Higher levels of impairment
  - Further pressure on liability spreads
- Remain focused on key priorities
  - Engaging with customers
  - Strengthening our capital
  - Effectively managing our funding
  - Actively managing our asset quality
  - Rigorously managing our costs

Bank of Ireland Group

Questions & Answers

Supplementary

Supplementary

Bank of Ireland Group

- EPS calculation
- Income Statements – Capital Markets and UKFS
- Ireland and UK mortgage analysis
  - LTV new business
  - Arrears profiles
- Profile of available for sale assets
- Geographic analysis of profit before tax and shareholders
- Property & construction lending (€bn)
- Loan and deposit volume growth

EPS calculation

Bank of Ireland Group

		Mar 09 €m	Mar 08 €m	% Change
	Profit before tax	(7)	1933	(100)
	Tax	41	(229)	
	Minority interests & pref. dividend	25	(19)	
A	Profit attributable to shareholders	59	1685	(97)
	After tax impact of non-core items	244	(197)	
B	Profit attributable to shareholders excluding non-core items	303	1488	(80)
C	Weighted average number of shares	1003m	990m	
	Weighted average shares held for the benefit of life assurance policyholders	14m	25m	
D	Weighted average number of shares (excluding BOI own shares)	989m	965m	
	Basic EPS (A/D)	5.9c	174.6c	(97)
	Underlying EPS (B/C)	30.2c	150.3c	(80)

Income Statements – Capital Markets and UKFS

Bank of Ireland Group

Income Statement – Capital Markets

	Mar 09 €m	Mar 08 €m	% Change
Net interest income	1482	1030	
Other income	(237)	90	
Total income	1245	1120	11
Operating expenses	(377)	(416)	(10)
Operating profit	**868**	**704**	**23**
Impairment charge – loans & advances to customers	(305)	(48)	
Impairment charge – AFS / other	(78)	(5)	
Share of associates and joint ventures	(11)	-	
Underlying Profit before tax	**474**	**651**	**(27)**

*Note: Commentary on performance quoted after impact of IFRS income classification between net interest income & other income

Income Statement – UKFS**

	Mar 09 £m	Mar 08 £m	% Change
Net interest income	627	579	8
Other income	115	119	(3)
Total income	742	698	6
Operating expenses	(391)	(379)	3
Operating profit	**351**	**319**	**10**
Impairment charge	(372)	(23)	
Share of associates and joint ventures	31	34	
Underlying Profit before tax	**10**	**330**	**(97)**

**Note: see slide 39 for re-statement

Residential Mortgages – Ireland

Bank of Ireland Group

Average Loan to Value – new business

Retail Ireland	Mar 09	Mar 08	Mar 07
Owner Occupied	63%	70%	74%
Investors	57%	59%	63%

Mortgages – arrears profiles

Retail Ireland	1-3 mths	3-6 mths	6-12 mths	12+ mths	Total
Mar 09 (%)	1.06	0.73	0.62	0.58	2.98
Sept 08 (%)	0.76	0.36	0.28	0.27	1.66
Mar 08 (%)	0.46	0.27	0.22	0.21	1.16

Based on values

Residential Mortgages - UK

Bank of Ireland Group

Average Loan to Value – new business

UK	Mar 09	Mar 08	Mar 07
Standard	60%	66%	57%
Specialist			
Buy-to-let	70%	71%	72%
Self-certified	66%	75%	75%

Mortgages – arrears profiles

UK	1-3 mths	3-6 mths	6-12 mths	12+ mths	Total
Mar 09 (%)	1.87	0.76	0.47	0.26	3.36
Sept 08 (%)	1.64	0.49	0.21	0.06	2.40
Mar 08 (%)	1.48	0.40	0.18	0.06	2.12

Based on no. of cases

Profile of Available for Sale Financial Assets - €26.9bn March 2009

Bank of Ireland Group

Profile of AFS Assets

- Portfolio of Available-for-sale (AFS) financial assets: €26.9bn (Mar 08: €29.3bn)
- Liquid asset portfolio at 31 March 2009: €25.2bn (Mar 08 €26.4bn)
- Average life of liquid asset portfolio to maturity – 2.57 years
- ABS portfolio at 31 March 2009: €1.7bn (Mar 08 €2.9bn)
- Closing negative AFS reserve balance of €1,532m (Mar 08: €419m) - €1113m movement in the full year to March 2009; €76m impairment through Income Statement in the full year to 31 March 2009

Government securities

- €2.5bn government bonds (Mar 08 €1.8bn)
- >95% AAA rated
- Closing positive AFS reserve balance of €67m (Mar 2008: negative €3m) - €70m positive movement in the year to March 2009
- 'Mark-to-market' on portfolio 102.2%

Covered bonds/ Senior bank debt

- €17.8bn senior bank debt; €4.8bn Covered bonds; and €0.1bn other
- Average rating AA-
- Closing negative AFS reserve balance of €1046m (Mar 08: negative €278m) - €768m movement in the full year to March 2009
- 'Mark-to-market' on portfolio 96.6%
- Impairment charge €61m on Senior bank debt (WaMu & Icelandic Banks) through Income Statement in the full year to March 2009

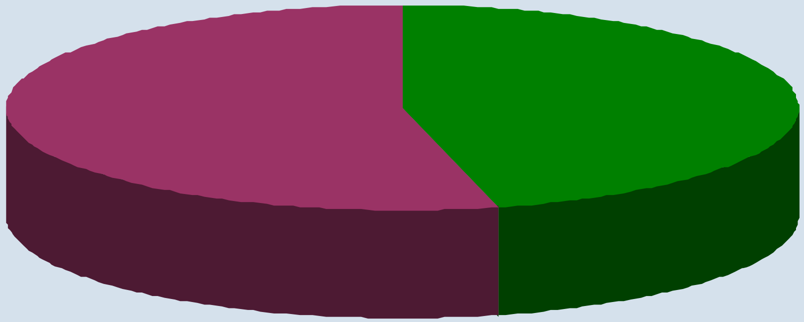
ABS portfolio

- €1.7bn ABS portfolio (Mar 08 €2.9bn)
- Closing negative AFS reserve balance of €559m (Mar 08: negative €138m) - €421m movement in the year to March 2009
- 'Mark-to-market' on portfolio 80.9%
- €14m impairment in current year - €21m cumulative impairment to March 2009

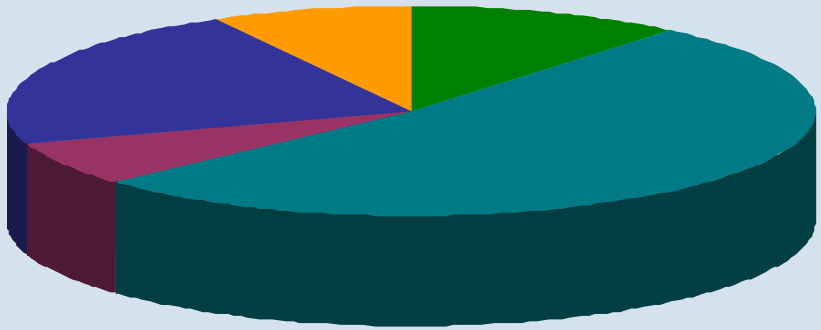
Geographic analysis

Bank of Ireland Group

Profit before tax by geography – Mar 09



Split of shareholder base – Mar 09



Property & construction lending March 2009 (€34bn)

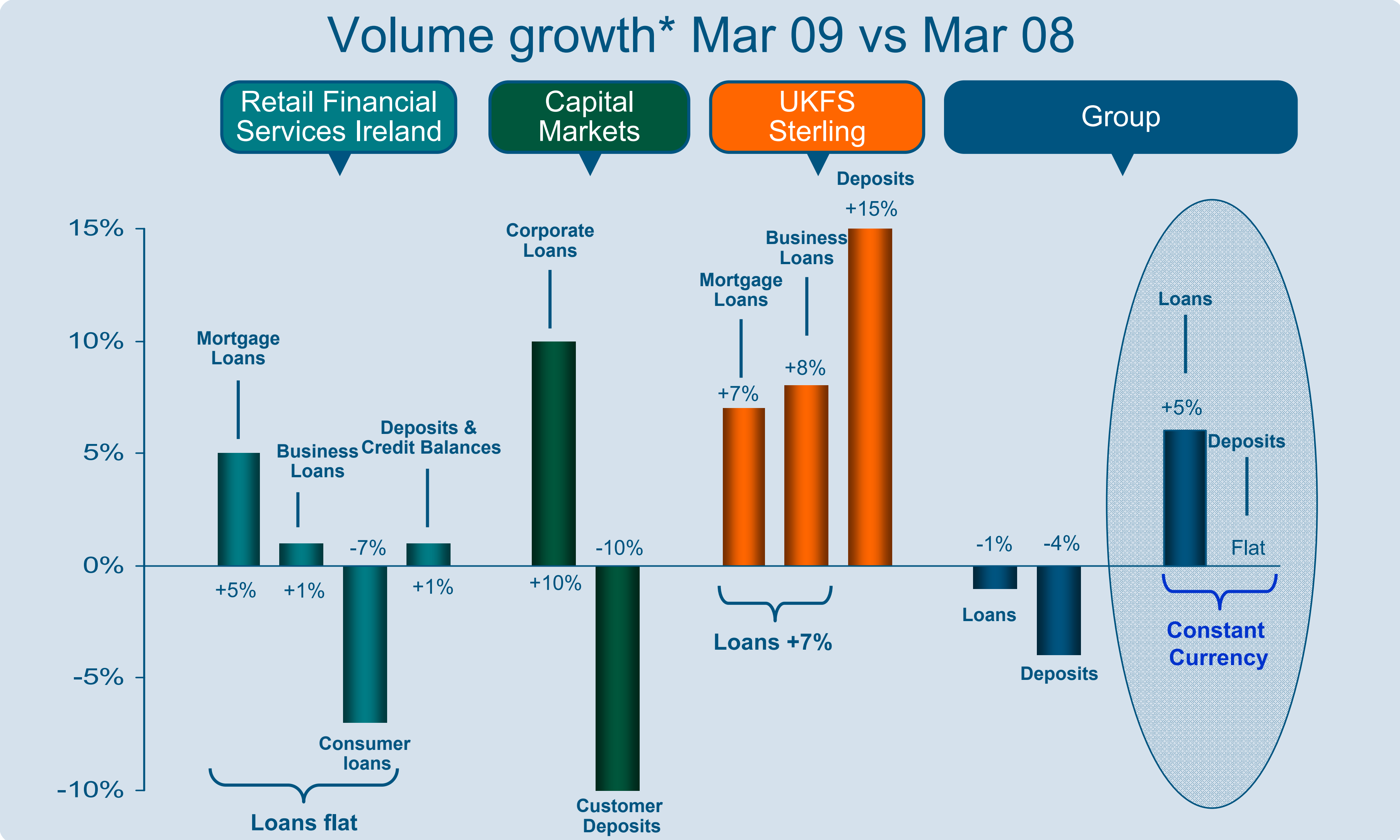
Bank of Ireland Group

Geographic and sector profile

	Investment - €bn	Development - €bn	Landbank - €bn	Total - €bn
Ireland				
Landbank			3.6	3.6
Residential	1.2	2.2		3.4
Commercial	7.2	1.1		8.3
Total Ireland	**8.4**	**3.3**	**3.6**	**15.3**
UK (GB/NI)				
Landbank			1.7	1.7
Residential	1.7	2.4		4.1
Commercial	10.1	1.0		11.1
Total UK (GB/NI)	**11.8**	**3.4**	**1.7**	**16.9**
Total Other	**1.6**	**0.2**	**0.0**	**1.8**
TOTAL	**21.8**	**6.9**	**5.3**	**34**

Loan & deposit volume growth

Bank of Ireland Group



*Point-in-time volume growth

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Preliminary Results Announcement

For the year ended 31 March 2009

19 May 2009