



**'Bank of Ireland's Strategy for  
Capturing Value in a Challenging Environment'  
UBS Warburg Conference**

**Mike Soden  
Group Chief Executive**

**29 April 2003  
New York**



# Today's Presentation

- ❑ **State of the Nation.....Ireland**
  - An outsiders perspective
- ❑ **Bank of Ireland Group**
  - Background
- ❑ **Bank Performance Highlights**
- ❑ **Strategic Direction**
- ❑ **Conclusion**





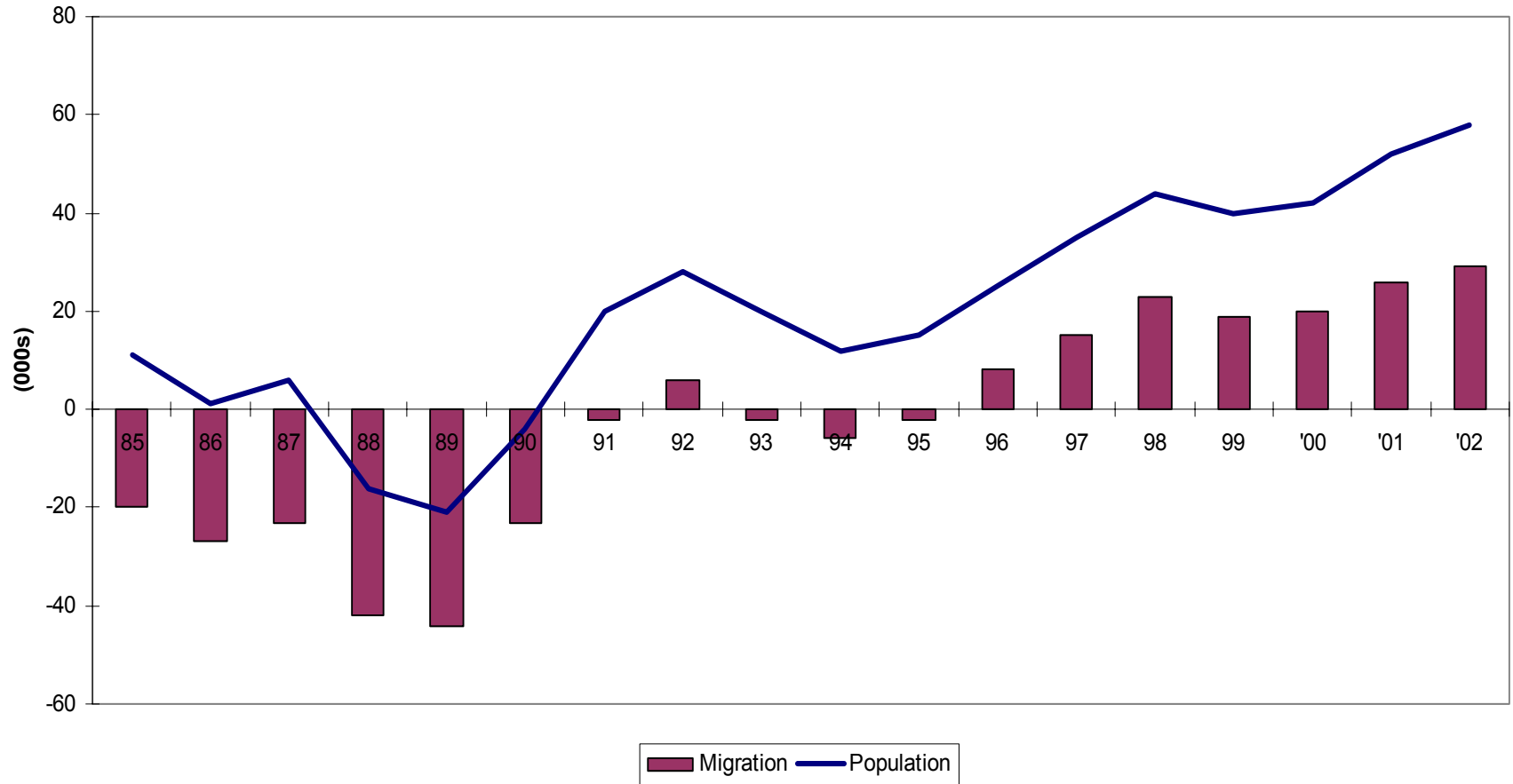
# 'State of the Nation'...Ireland

- ❑ Best positioned European economy in a Global Recovery
- ❑ Population of 3.9 million
- ❑ Employment growing
- ❑ Growth supported by exports
- ❑ Stable Government
- ❑ Business Spending picking up
- ❑ FDI inflows increasing



# 'State of the Nation'...Ireland

## Demographics Positive



Source: BOI Economist





# Macro Economic Perspective.... Ireland V's Europe

Some interesting statistics for 2002.....

	<u>Ireland</u>	<u>Europe</u>
Labour Force Growth	2.5%	0.7%
GDP Growth	6.3%	0.9%
Unemployment Rate	4.5%	8.7%

Ireland has a **1%** share of EU GDP *but* Ireland have a **6%** share in stock of US Manufacturing FDI in Europe

Source: BOI Economist



# What is BOI Group?

- A diversified Financial Services Group.
  - Not 'just' a retail bank.
  - Various businesses, various geographies, different growth prospects.
  - Strength as a whole, not a simple 'sum of the parts'.
- Ireland and the UK together constitute the primary geographic footprint for the Group.
- Niche global play - Asset Management Services





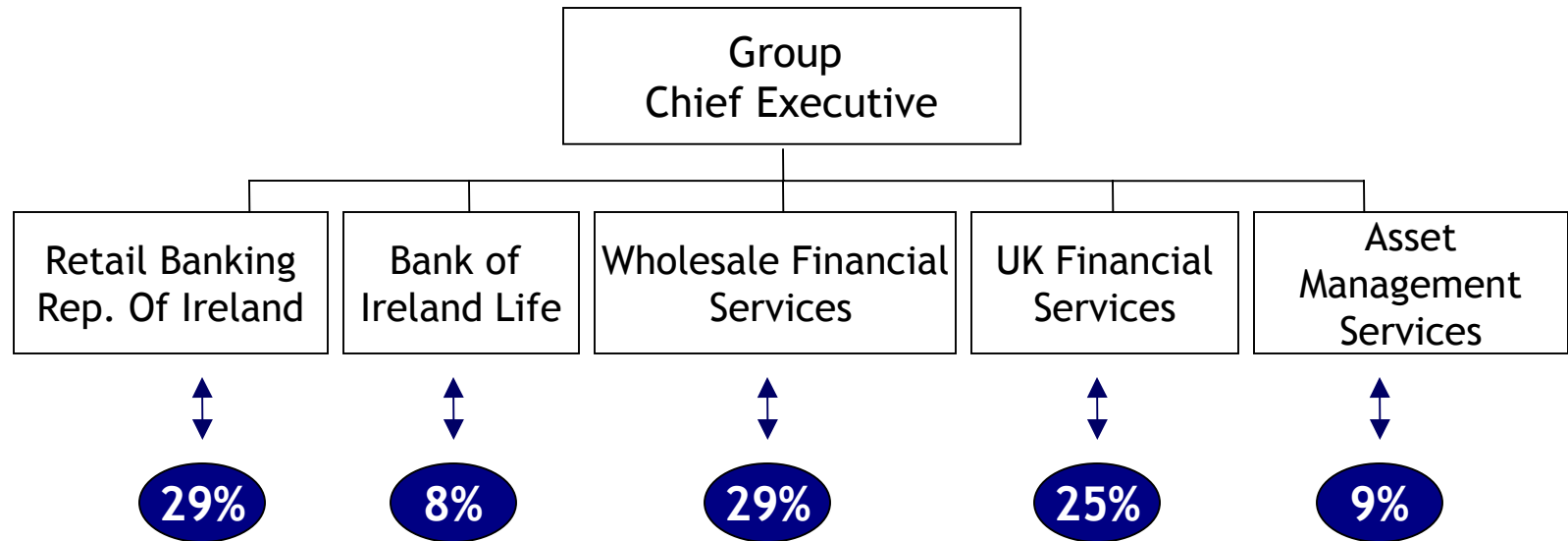
# Bank of Ireland Group

- ❑ Established 1783 by Royal Charter
- ❑ Market Capital - €10bn
- ❑ International spread of shareholders - 100% Free Float
- ❑ Total Assets of c.€90bn and Staff of c.18,000
- ❑ Number 1 or 2 in chosen domestic markets
- ❑ Focused niche player in UK and Internationally
- ❑ Asset Quality - low risk profile

Delivering high growth and returns with controlled risk.

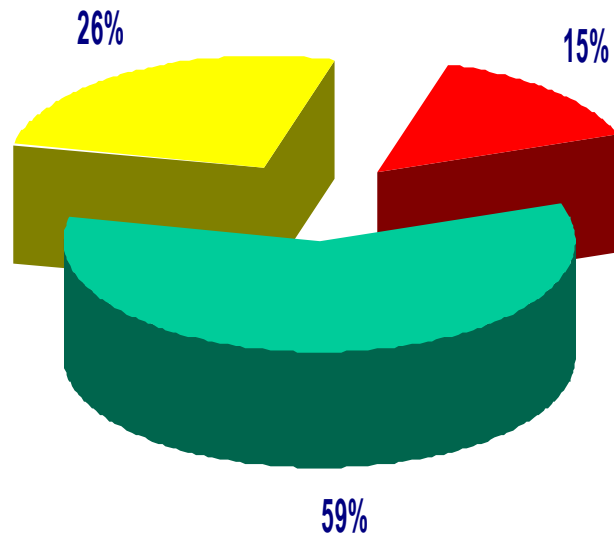
# Bank of Ireland Group

## "Divisional Perspective"



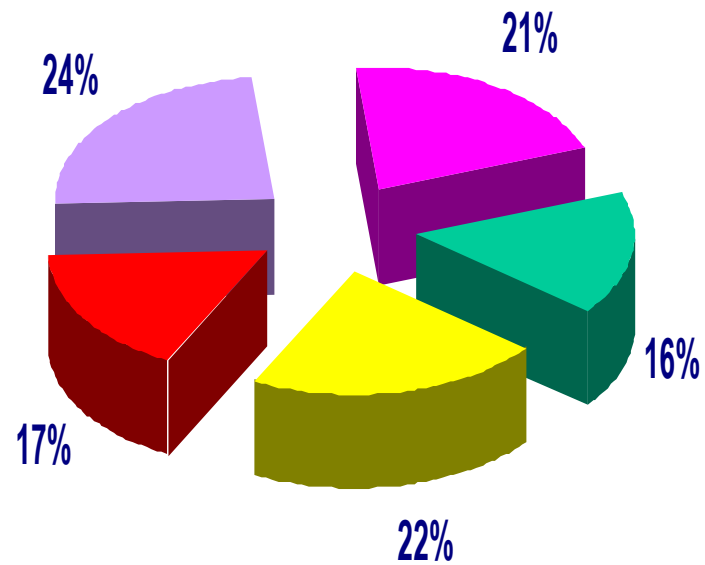
# Geographic Analysis

*Profit  
Sept. 2002*



- Republic of Ireland
- UK
- Rest of the World

*Shareholder Base  
Sept. 2002*



- Republic of Ireland
- UK
- Europe / Other
- US
- Retail



# A Diversified Group that has Delivered Well for our Investors through the Cycles

	<i>March 2002</i>		
	<i>1 Year</i>	<i>5 Year</i>	<i>10 Year</i>
	<i>%</i>	<i>% CAGR</i>	<i>% CAGR</i>
<b>EPS Growth*</b>	<b>11</b>	<b>23</b>	<b>38</b>
<b>DPS</b>	<b>14</b>	<b>24</b>	<b>20</b>
<b>Return on Equity</b>	<b>24</b>	<b>25</b>	<b>23</b>
<b>Total Shareholder Return</b>	<b>36</b>	<b>29</b>	<b>35</b>

\*excludes goodwill amortisation and exceptional items

***Consistency in Delivery***





# Financial Performance is solid

Highlights from Preclose Statement for period to 31 March 2003  
(Year End Announcement - 15 May)

- ❑ Robust performance from core businesses.
- ❑ Good earnings growth despite slowdown and volatile markets.
- ❑ Bank of Ireland Life and Asset Management performances impacted by equity markets.
- ❑ Strategic cost initiatives underway.
- ❑ Positive capital management initiatives.
- ❑ Asset quality remains strong.



# Bank of Ireland Group

## Our Vision

A diversified financial services group, built on a strong domestic franchise in the Republic of Ireland, complemented by strong-growing, dynamic businesses in the UK and elsewhere.





# Bank of Ireland Group

**We will achieve our vision by achieving our goals:**

- ❑ **Be the undisputed No. 1 financial services company in the Republic of Ireland.**
- ❑ **Be recognised as a high growth company in our sector through optimum deployment of capital in existing and new businesses.**
- ❑ **Earn more outside the Republic of Ireland than within.**
- ❑ **Achieve a sustainably low cost base with each business externally benchmarked.**

# Bank of Ireland Group Strategy

Deliver Growth in a Challenging Environment



# Bank of Ireland Group Strategy



## Ireland - Market Share

Corporate	55%
FX Markets	20%
Mortgages	27%
Credit Cards	38%
Personal Loans	26%
Business Banking	40%
Current Accounts	39%
Deposits	30%
Life	21%
Stockbroking	50%



# Bank of Ireland Group Strategy



## UK

- ❑ Personal Finance
  - Bristol & West Mortgages
- ❑ Business Finance
  - SME Lending - BOI UK Branches
- ❑ Independent Financial Advisers
  - Chase de Vere

# Bank of Ireland Group Strategy



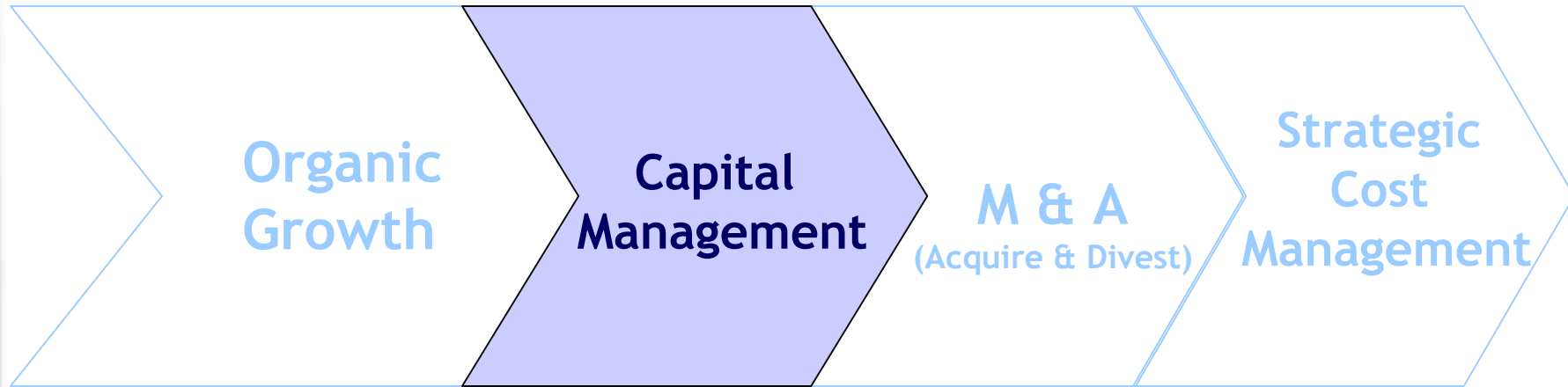
## Asset Management Services

- ❑ Domestic
  - Number 1 in performance
  - 29% Market Share\*
- ❑ International
  - BIAM (EFEA)
  - Iridian (US Dollars)

\*Source: Irish Resident FUM



# Bank of Ireland Group Strategy



## Capital Management

- ❑ Optimising Capital Structure
- ❑ Active Portfolio Management
- ❑ Capital Allocation/Withdrawal to optimise returns
- ❑ Balance Sheet Management

# Bank of Ireland Group Strategy



## Mergers & Acquisitions



# Bank of Ireland Group Strategy



## Strategic Cost Management

- Outsourcing
- Transformation
- Shared Services



# Conclusion

**The right economy**  
**The right foundations**  
**The right strategy**  
**The right team**

**.....to deliver growth**





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