

BOI G.P. NO 1 LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007

Company No. 5324484 (England & Wales)



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BOI G.P. NO 1 LIMITED

CONTENTS

| | Page |
|--|-------------|
| DIRECTORS AND ADVISERS | 2 |
| DIRECTORS' REPORT | 3 |
| INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BOI G P NO 1 LIMITED | 5 |
| PROFIT AND LOSS ACCOUNT | 7 |
| BALANCE SHEET | 8 |
| NOTES TO THE FINANCIAL STATEMENTS | 9 |

BOI G.P. NO 1 LIMITED

DIRECTORS AND ADVISORS

Directors as at 31 March 2007

B Kealy

D McCarthy resigned 11th October 2007

S Murphy

K Coleman appointed 11th October 2007

Company Secretary

AJ Downham

Registered Office

One Temple Back East

Temple Quay

Bristol

BS1 6DX

Registered Number

5324484

Auditors

PricewaterhouseCoopers LLP

31 Great George Street

Bristol

BS1 5QD

BOI G.P. NO 1 LIMITED

DIRECTORS' REPORT

FOR THE YEAR TO 31 MARCH 2007

The Directors present their report and the audited financial statements for the Company for the year from 1 April 2006 to 31 March 2007

Principal activities

The principal activity of the Company is to manage limited partnerships. The Company has the full and exclusive authority for the operation of the business of BOI CAPITAL FUNDING (NO 1) LP, BOI CAPITAL FUNDING (NO 2) LP, BOI CAPITAL FUNDING (NO 3) LP and BOI CAPITAL FUNDING (NO 4) LP and shall be responsible for ensuring that, so long as required by applicable law, the relevant functions of BOI CAPITAL FUNDING (NO 1) LP, BOI CAPITAL FUNDING (NO 2) LP, BOI CAPITAL FUNDING (NO 3) LP and BOI CAPITAL FUNDING (NO 4) LP are always managed and operated in accordance with the Limited Partnership Act 1907

Review of business

During the year, the Company became a partner in one additional Limited Partnership, BOI CAPITAL FUNDING (NO 4) LP

The debtors of the General Partner are with companies of the Bank of Ireland Group and therefore considered recoverable

Results

The profit for the year was £94,913 (2006 £12,541). The Directors do not propose to declare a dividend

Going concern

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the accounts

Creditor payment policy

Creditors are paid under the terms of the contractual agreement or as agreed with individual suppliers

Director's interest

There were no Directors with interests in the shares of the Company. The Company is a wholly owned subsidiary of The Governor and Company of Bank of Ireland, a body corporate incorporated outside the United Kingdom. As such the Directors are not required to disclose their interest in shares in, or debentures of, that or any other body corporate incorporated outside of Great Britain

Auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to stay in office and a resolution confirming their appointment will be proposed at the annual general meeting

BOI G.P. NO 1 LIMITED

DIRECTORS' REPORT

FOR THE YEAR TO 31 MARCH 2007

Statement of Directors' responsibilities

The following statement, which should be read in conjunction with the Auditors' Report on page 5, is made with a view to distinguishing for shareholders the respective responsibilities of the Directors and the Auditors in relation to the financial statements

Company law requires the Directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit or loss of the Company for that year

With regard to the financial statements on pages 7 to 14, the Directors have determined that it is appropriate that they continue to be prepared on a going concern basis and consider that in their preparation -

- suitable accounting policies have been used and applied consistently,
- judgments and estimates that are reasonable and prudent have been made, and
- applicable accounting standards have been followed

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and enable them to confirm that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

All directors at the time of approving this report confirm the following

(a) so far as each Director is aware, there is no information of which the Company auditors are unaware, and

(b) each Director has taken all the steps they ought to have taken as a Director, in order to make themselves aware of any relevant audit information, and to establish that the Company auditors are aware of that information

Signed by order of the Board



Steven Murphy
Director
29th January 2008

BOI GP NO 1 LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BOI GP NO 1 LIMITED

We have audited the financial statements of BOI G P NO 1 Limited for the year ended 31 March 2007 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is consistent with the financial statements.

In addition we report to you, if in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

BOI GP NO 1 LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BOI GP NO 1 LIMITED

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2007 and of its profit for the year then ended, and
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Bristol
30th January 2008

BOI GP NO 1 LIMITED**PROFIT AND LOSS ACCOUNT****FOR THE YEAR TO 31 MARCH 2007**

| | Notes | 2007 £ | For the Period of 5 January 2005 to 31 March 2006 £ |
|--|-------|----------------|---|
| Distribution of income from Limited Partnerships | 2 | 1,370,601 | 501,575 |
| General Partner costs | 3 | (1,190,327) | (431,575) |
| Gross profit | | <u>180,274</u> | <u>70,000</u> |
| Other operating income | 4 | (1,483) | 283 |
| Administrative expenses | 5 | (43,201) | (52,367) |
| Profit on ordinary activities before taxation | | <u>135,590</u> | <u>17,916</u> |
| Tax on profit on ordinary activities | 6 | (40,677) | (5,375) |
| Profit for the financial year / period | 11 | <u>94,913</u> | <u>12,541</u> |

All results relate to continuing activities. There is no material difference between the profit on ordinary activities before taxation and the profit for the year stated above and their historical cost equivalent.

There are no recognised gains or losses other than those included in the profit and loss account above.

The notes on pages 9 to 14 form part of these financial statements.


BOI GP NO 1 LIMITED**BALANCE SHEET**

AS AT 31 MARCH 2007

| | Notes | 31 March 2007 £ | 31 March 2006 £ |
|---|-------|-----------------------|-----------------------|
| Fixed Assets | | | |
| Investments - | | | |
| Interest in Partnerships | 7 | 26,988 | 18,471 |
| Current assets | | | |
| Cash at bank and in hand | | 3,000 | 14,188 |
| Debtors Amounts falling due within one year | 8 | 3,216,361 | 1,499,560 |
| Debtors Amounts falling due after more than one year | 8 | 16,262,904 | 14,337,431 |
| | | <u>19,482,265</u> | <u>15,851,179</u> |
| Creditors: Amounts falling due within one year | 9 | (19,401,798) | (15,857,108) |
| Net assets | | <u>107,455</u> | <u>12,542</u> |
| Capital and reserves | | | |
| Called up share capital | 10 | 1 | 1 |
| Profit and loss account | 11 | 107,454 | 12,541 |
| Total shareholders' funds | | <u>107,455</u> | <u>12,542</u> |

The notes on pages 9 to 14 form part of these financial statements

These financial statements on pages 7 to 14 were approved by the Board of Directors on 29th January 2008 and signed on its behalf by



Steven Murphy
Director
29th January 2008

BOI GP NO 1 LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR TO 31 MARCH 2007

1. Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards. The Company is incorporated and domiciled in the United Kingdom.

The accounts are drawn up in GBP.

The Company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS1 "Cash flow statements (revised 1996)". A consolidated cash flow statement is included in the Bank of Ireland Group accounts.

The Company is exempt under the terms of FRS 8 from disclosing related party transactions with entities that are part of the Bank of Ireland Group. As more than 90% of the Company's voting rights are controlled within the group, it has taken advantage of the exemption not to disclose any transactions or balances with entities that are part of the Group or investees of the Group qualifying as related parties. The consolidated financial statements in which the Company is included are publicly available. BOI CAPITAL FUNDING (NO 1) LP, BOI CAPITAL FUNDING (NO 2) LP, BOI CAPITAL FUNDING (NO 3) LP, and LP BOI CAPITAL FUNDING (NO 4) LP, are considered to be part of the Bank of Ireland Group on the basis that the Company exerts dominant control over these entities.

Income and expense recognition

Income and expenses are recognised as they accrue.

Interest in Partnerships

Interests in the Limited Liability Partnerships are recorded at historic cost.

Foreign currencies

Assets and liabilities denominated in foreign currencies are translated into sterling using the rate of exchange ruling at the balance sheet date and the gains and losses on translation are included in the profit and loss account. Income and expenses denominated in foreign currencies are translated into sterling using the rate of exchange ruling at the date of the transaction.

Liability arising out of contractual obligations

All contractual obligations of the General Partner (including those relating to the Limited Partnerships such as Preferred securities issue costs) are recorded as a liability in full when the obligation arises.

BOI GP NO 1 LIMITED**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR TO 31 MARCH 2007

Prepayment of General Partner costs

Issue costs relating to the Preferred securities of the Limited Partnerships are deferred on the balance sheet because they relate to rights of a future income stream and will be recovered in the form of distribution receivable from the Limited Partnerships. The prepayment is taken to profit and loss to match the distributions received.

2. Distribution of income from Limited Partnerships

| | 2007 | For the Period of 5 January 2005 to 31 March 2006 |
|--|------------------|--|
| | £ | £ |
| Share of BOI CAPITAL FUNDING (NO 1) LP profits | 344,015 | 363,470 |
| Share of BOI CAPITAL FUNDING (NO 2) LP profits | 526,903 | 89,507 |
| Share of BOI CAPITAL FUNDING (NO 3) LP profits | 280,354 | 48,598 |
| Share of BOI CAPITAL FUNDING (NO 4) LP profits | 219,329 | - |
| | <u>1,370,601</u> | <u>501,575</u> |

Under the terms of the Limited Partnership Agreements for BOI CAPITAL FUNDING (NO 1) LP, BOI CAPITAL FUNDING (NO 2) LP, BOI CAPITAL FUNDING (NO 3) LP and BOI CAPITAL FUNDING (NO 4) LP, the Limited Partnerships, distribute the remaining income to the Company after distributions to the holders of their Preferred Securities.

3. General Partner costs

| | 2007 | For the Period of 5 January 2005 to 31 March 2006 |
|---|------------------|--|
| | £ | £ |
| BOI CAPITAL FUNDING (NO 1) LP issue costs | 289,357 | 313,470 |
| BOI CAPITAL FUNDING (NO 2) LP issue costs | 477,040 | 79,507 |
| BOI CAPITAL FUNDING (NO 3) LP issue costs | 231,587 | 38,598 |
| BOI CAPITAL FUNDING (NO 4) LP issue costs | 192,343 | - |
| | <u>1,190,327</u> | <u>431,575</u> |

General Partner costs charged to profit and loss account represent the release of prepayments established on initial settlement of issue cost in line with recognition of income from the Limited Partnerships (see note 8).

Under the terms of the Limited Partnership Agreements for BOI CAPITAL FUNDING (NO. 1) LP, BOI CAPITAL FUNDING (NO 2) LP, BOI CAPITAL FUNDING (NO 3) LP and BOI CAPITAL FUNDING (NO 4) LP the Company commits to pay all costs, expenses, debts, liabilities and obligations incurred in the proper operation of BOI CAPITAL FUNDING (NO 1) LP, BOI CAPITAL FUNDING (NO 2) LP, BOI CAPITAL FUNDING (NO 3) LP and BOI CAPITAL FUNDING (NO 4) LP.

BOI GP NO 1 LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR TO 31 MARCH 2007

4. Other operating income

Other operating income consists of exchange gains and losses on the translation at year / period end exchange rates of monetary assets and liabilities denominated in foreign currencies

5. Administrative expenses

Administrative expenses consist of auditor remuneration, non audit fees and administration fees

| Administrative expenses | 2007 | For the Period of 5 January 2005 to 31 March 2006 |
|-------------------------|---------------|--|
| | £ | £ |
| Auditors remuneration | 15,000 | 2,350 |
| Non audit fees | - | 47,000 |
| Administration fees | 28,201 | 3,017 |
| | <u>43,201</u> | <u>52,367</u> |

The Company administers and bears all the costs associated with BOI CAPITAL FUNDING (NO 1) LP, BOI CAPITAL FUNDING (NO 2) LP, BOI CAPITAL FUNDING (NO 3) LP and BOI CAPITAL FUNDING (NO 4) LP (together called "Partnerships")

There are no employees of either the Company or the Partnerships and Directors of General Partner receive no remuneration in respect of their services. The Directors and other staff who support the Company and the Partnerships are all employees of the Bank of Ireland Group. The Directors' remuneration and average number of staff employed are included in the accounts of Bank of Ireland Group. It is not possible to separately identify the related cost for the Company or the Partnerships.

6. Taxation

| | | |
|---|---------------|--|
| | 2007 | For the Period of 5 January 2005 to 31 March 2006 |
| | £ | £ |
| UK Corporation Tax on profits for the year / period | <u>40,677</u> | <u>5,375</u> |

There is no difference between the tax charge at the UK Corporation tax rate of 30% on the Profit Before Tax and the current tax charge

BOI GP NO 1 LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR TO 31 MARCH 2007

7. Interest in Partnerships

| | 2007 £ | 2006 £ |
|---|-----------|-----------|
| Interest in BOI CAPITAL FUNDING (NO 1) LP | 6,796 | 6,965 |
| Interest in BOI CAPITAL FUNDING (NO 2) LP | 5,096 | 5,753 |
| Interest in BOI CAPITAL FUNDING (NO 3) LP | 5,096 | 5,753 |
| Interest in BOI CAPITAL FUNDING (NO 4) LP | 10,000 | - |
| At the end of the year / period | 26,988 | 18,471 |

During the year the company entered into one partnership agreement BOI CAPITAL FUNDING (NO 4) LP. The partnership is a funding vehicle for the Bank of Ireland Group. It issued non-voting non-cumulative Perpetual Preferred Securities (the Preferred Securities), comprising a limited partnership interest in BOI CAPITAL FUNDING (NO 4) LP. The Preferred Securities have the benefit of a subordinated guarantee by the Bank.

On 20 September 2006 BOI CAPITAL FUNDING (NO 4) LP (the Issuer) issued GBP 500m 6.4295% non-voting non-cumulative Perpetual Preferred Securities. The Preferred Securities are perpetual securities and have no maturity date. However, they are redeemable on 3 April 2017 or any distribution date after the First Call Date, in whole but not in part, at the option of the General Partner. The Preferred Securities bear interest at a rate of 6.4295% per annum to 2 April 2017 and thereafter at a variable rate of interest per annum which is three month LIBOR plus 1.5%.

The rights and claims of the holders of the preferred securities are subordinated to the claims of the senior creditors of the Issuer or the Bank (as the case may be) in that no payment in respect of the preferred securities or the guarantee shall be due and payable except to the extent that the Issuer or the Bank (as applicable) is solvent and could make such payment and still be solvent immediately thereafter. Upon winding up of the Issuer or the Bank (in respect of claims under the guarantee), the holder of the Preferred Securities will rank pari passu with holders of the most senior class or classes of preference shares or stock or other preferred securities (if any) of the Issuer or the Bank then in issue and in priority to all other shareholders of the Issuer and of the Bank.

BOI GP NO 1 LIMITED**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR TO 31 MARCH 2007

8. Debtors

| | 2007 £ | 2006 £ |
|--|------------------|------------------|
| Amounts falling due within one year | | |
| Prepayment of General Partner costs (see note 3) | 1,344,185 | 997,985 |
| Amounts owed by BOI CAPITAL FUNDING (NO 1) LP | 707,485 | 363,470 |
| Amounts owed by BOI CAPITAL FUNDING (NO 2) LP | 616,410 | 89,507 |
| Amounts owed by BOI CAPITAL FUNDING (NO 3) LP | 328,952 | 48,598 |
| Amounts owed by BOI CAPITAL FUNDING (NO 4) LP | 219,329 | - |
| | <u>3,216,361</u> | <u>1,499,560</u> |
| Amounts falling due after more than one year | | |
| Prepayment of General Partner costs (see note 3) | 16,262,904 | 14,337,431 |

9. Creditors: amounts falling due within one year

| | 2007 £ | 2006 £ |
|--|-------------------|-------------------|
| Amounts owed to immediate parent company - Bank of Ireland UK Holdings plc | 32,499 | 21,187 |
| Amounts owed to BOI CAPITAL FUNDING (NO 1) LP | 8,680,725 | 8,680,725 |
| Amounts owed to BOI CAPITAL FUNDING (NO 2) LP | 4,775,992 | 4,775,992 |
| Amounts owed to BOI CAPITAL FUNDING (NO 3) LP | 2,321,462 | 2,321,462 |
| Amounts owed to BOI CAPITAL FUNDING (NO 4) LP | 3,462,000 | - |
| Corporation tax | 33,552 | 5,375 |
| Accruals | 95,568 | 52,367 |
| | <u>19,401,798</u> | <u>15,857,108</u> |

10. Share capital

| | 2007 £ | 2006 £ |
|--------------------------------|-----------|-----------|
| Authorised | | |
| 100 ordinary shares of £1 each | 100 | 100 |
| Allotted and fully paid | | |
| 1 ordinary share of £1 | <u>1</u> | <u>1</u> |

BOI GP NO 1 LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR TO 31 MARCH 2007

11. Reconciliation of shareholders funds

| | Share capital | Profit and loss account | Total |
|------------------------|----------------------|------------------------------------|--------------|
| | £ | £ | £ |
| At 1 April 2007 | 1 | 12,541 | 12,542 |
| Profit for the year | - | 94,913 | 94,913 |
| At the end of the year | 1 | 107,454 | 107,455 |

12. Parent Company

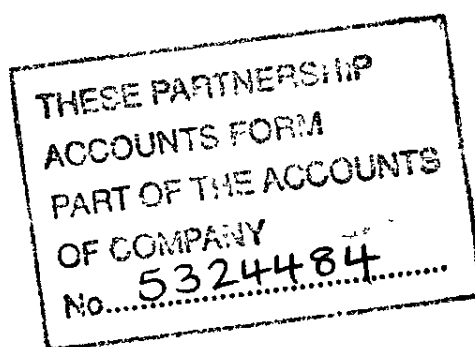
The parent undertaking of the Company is the Bank of Ireland UK Holdings plc, a Company registered in Northern Ireland. The Company's ultimate parent company is The Governor and Company of Bank of Ireland, a Charter Company incorporated in the Republic of Ireland. A copy of Bank of Ireland Group accounts may be obtained from Bank of Ireland, Lower Baggot Street, Dublin 2.

13. Group accounts

The Company has taken account of the exemption under section 228 of the Companies Act 1985 from the obligation to prepare and deliver consolidated group accounts, as the ultimate parent company prepares consolidated group accounts. The Company and BOI CAPITAL FUNDING (NO 1) LP, BOI CAPITAL FUNDING (NO 2) LP, BOI CAPITAL FUNDING (NO 3) LP and BOI CAPITAL FUNDING (NO 4) LP are consolidated into the Group accounts of Bank of Ireland UK Holdings plc and the Group accounts of The Governor and Company of Bank of Ireland.

BOI CAPITAL FUNDING (NO. 1) LP

**MEMBERS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2007**



BOI CAPITAL FUNDING (NO. 1) LP

CONTENTS

| | Page |
|---|-------------|
| MEMBERS' REPORT | 2 |
| INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BOI CAPITAL FUNDING (NO 1) LP | 4 |
| PROFIT AND LOSS ACCOUNT | 6 |
| BALANCE SHEET | 7 |
| NOTES TO THE FINANCIAL STATEMENTS | 8 |

BOI CAPITAL FUNDING (NO. 1) LP

MEMBERS' REPORT

FOR THE YEAR TO 31 MARCH 2007

The Members present their report and the audited financial statements for BOI Capital Funding (no 1) LP (the Partnership) for the year to 31 March 2007

Principal activities

The Partnership was formed on 25 February 2005 by BOI G P No 1 Limited (the General Partner) and Citivic Nominees Limited (the Initial Limited Partner). The Partnership's principal activity is, and will continue to be, to raise and provide finance and financial support to the Bank of Ireland Group.

Business review

The Partnership issued Euro 600,000,000 of fixed rate/variable rate guaranteed non-voting non-cumulative perpetual preferred securities, comprising limited partnership interests in the Partnership, on 2 March 2005.

Results

There was neither a profit nor a loss in the year.

Designated Members of the Partnership

The Designated Members during the year were BOI G P No 1 Limited (the General Partner) and Citivic Nominees Limited (the Initial Limited Partner).

Going concern

After making enquiries, the General Partner has a reasonable expectation that the Partnership has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the accounts.

Creditor payment policy

Creditors are paid under the terms of the contractual agreement or as agreed with individual suppliers.

BOI CAPITAL FUNDING (NO. 1) LP

MEMBERS' REPORT

FOR THE YEAR TO 31 MARCH 2007

Statement of the General Partner's responsibilities

The following statement, which should be read in conjunction with the Independent Auditors' Report on page 4, is made with a view to distinguishing the respective responsibilities of the General Partner and the auditors in relation to the financial statements

The Partnerships and Unlimited Companies (Accounts) Regulations 1993 requires the General Partner to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Partnership as at the end of the financial year and of the profit or loss of the Partnership for that year

With regard to the financial statements on pages 6 to 12, the General Partner has determined that it is appropriate that they continue to be prepared on a going concern basis and consider that in their preparation -

- suitable accounting policies have been used and applied consistently,
- judgements and estimates that are reasonable and prudent have been made, and
- applicable accounting standards have been followed


The General Partner is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Partnership and enable them to confirm that the financial statements comply with the Partnership and Unlimited Companies (Accounts) Regulations 1993. They are also responsible for safeguarding the assets of the Partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

The General Partner at the time of approving this report, confirms the following

(a) so far as the General Partner is aware, there is no information of which the Partnership auditors are unaware, and

(b) the General Partner has taken all the steps it ought to have taken as the General Partner, in order to make itself aware of any relevant audit information, and to establish that the Partnership auditors are aware of that information

Signed by order of the General Partner



Steven Murphy for and on behalf of the General Partner
30 July 2008

BOI CAPITAL FUNDING (NO. 1) LP

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BOI CAPITAL FUNDING (NO 1) LP

FOR THE YEAR TO 31 MARCH 2007

We have audited the financial statements of BOI Capital Funding (no 1) LP for the year ended 31 March 2007 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of the General Partner and auditors

The General Partner's responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of General Partner's Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the Partners as a body in accordance with the Limited Partnership Agreement, and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Limited Partnership Agreement. We also report to you if, in our opinion, the Members' Report is not consistent with the financial statements, if the limited partnership has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit.

We read the other information contained in the Members' Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Members' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the General Partner in the preparation of the financial statements, and of whether the accounting policies are appropriate to the limited partnership's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

BOI CAPITAL FUNDING (NO. 1) LP

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BOI CAPITAL FUNDING (NO 1) LP

FOR THE YEAR TO 31 MARCH 2007

Opinion

In our opinion the financial statements

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Limited Partnership's affairs as at 31 March 2007 and of its result for the year then ended, and
- have been properly prepared in accordance with the provisions of the Limited Partnership Agreement

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors

Bristol

31 July 2008

BOI CAPITAL FUNDING (NO. 1) LP**PROFIT AND LOSS ACCOUNT
FOR THE YEAR TO 31 MARCH 2007**

| | Notes | 2007 € | For the period 25 February 2005 to 31 March 2006 € |
|----------------------------------|-------|------------------|--|
| Interest receivable | 3 | 36,572,318 | 40,582,192 |
| Amortisation of discount | 3 | 421,729 | 456,874 |
| Distribution to Limited Partners | 4 | (36,572,318) | (40,582,192) |
| Amortisation of issue cost | 4 | <u>(421,729)</u> | <u>(456,874)</u> |
| | | - | - |
| Other operating income | 5 | 496,429 | 528,672 |
| Distribution to General Partner | 6 | (496,429) | (528,672) |
| Results for the year / period | | <u>-</u> | <u>-</u> |

The notes on pages 8 to 12 form part of these financial statements

The Partnership has no recognised gains or losses other than its profit or loss for the year / period

All results relate to continuing activities

BOI CAPITAL FUNDING (NO. 1) LP**BALANCE SHEET**

AS AT 31 MARCH 2007

| | Notes | 31 March 2007 € | 31 March 2006 € |
|---|-------|-----------------------|-----------------------|
| Assets | | | |
| Cash at bank and in hand | | 10,000 | 10,000 |
| Debtors | | | |
| Amounts falling due within one year | 8 | 37,597,420 | 41,110,865 |
| Amounts falling due after more than one year | 8 | 588,226,720 | 587,804,991 |
| Net current assets and net assets | | 625,824,140 | 628,915,856 |
| Creditors: Amounts falling due within one year | 9 | (37,597,419) | (41,110,864) |
| | | 588,236,721 | 587,814,992 |
| Preferred securities | 10 | (588,226,720) | (587,804,991) |
| Net assets | | 10,001 | 10,001 |
| Represented by | | | |
| Members' interests | 11 | 10,001 | 10,001 |
| | | 10,001 | 10,001 |

The notes on pages 8 to 12 form part of these financial statements

These financial statements were approved by the General Partner on 30 July 2008 and signed on its behalf by



Steven Murphy for and on behalf of the General Partner
30 July 2008

BOI CAPITAL FUNDING (NO. 1) LP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR TO 31 MARCH 2007

1. Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards as required by the Statutory Instruments 1993 No 1820, the Partnerships and Unlimited Companies (Accounts) Regulations 1993

The accounts are drawn up in euros

The Partnership has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS1 "Cash flow statements (revised 1996)" A consolidated cash flow statement is included in the Bank of Ireland Group accounts

The Partnership is exempt under the terms of FRS 8 from disclosing related party transactions with entities that are part of the Bank of Ireland Group BOI Capital Funding (no 1) LP is considered to be part of the Bank of Ireland Group on the basis that the Company exerts control over this entity As the Bank of Ireland Group exerts control over the Partnership, it has taken advantage of the exemption not to disclose any transactions or balances with entities that are part of the Group or investees of the Group qualifying as related parties The consolidated financial statements in which the Partnership is included are publicly available

Interest receivable

Interest receivable is accounted for on an accruals basis

Distribution to Limited Partners

Distribution to Limited Partners is accounted for on an accruals basis

Amortisation of subordinated notes discount

The discount on the subordinated notes is amortised to the profit and loss account over useful estimated lives of the underlying instruments

Other operating income

The income from the General Partner is accounted for on an accruals basis

Amortisation of preferred securities issue expenses

The preferred securities issue expenses are amortised to the profit and loss account over useful estimated lives of underlying instruments

Foreign currencies

Assets and liabilities denominated in foreign currencies are translated into euros using the rate of exchange ruling at the balance sheet date and the gains and losses on translation are included in the profit and loss account Income and expenses denominated in foreign currencies are translated into euros using the rate of exchange ruling at the date of the transaction

Preferred securities

The preferred securities are classified as debt as they are non-voting, carry an interest coupon and whilst perpetual, in substance are expected to have a finite life

BOI CAPITAL FUNDING (NO. 1) LP**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR TO 31 MARCH 2007

2. Formation

The partnership was formed on 25 February 2005

3. Interest receivable and amortisation of discount

| | 2007 | For the period 25 February 2005 to 31 March 2006 |
|--|----------------|---|
| | € | € |
| Interest receivable on subordinated notes issued by Bank of Ireland UK Holdings plc | 36,572,318 | 40,582,192 |
| Amortisation of discount on subordinated notes | <u>421,729</u> | <u>456,874</u> |

Under the terms of the subordinated notes Purchase Agreement entered between Bank of Ireland UK Holdings plc (the note issuer), and BOI Capital Funding (no 1) LP (the note purchaser), the note issuer agrees to pay the note purchaser an amount equal to the costs and expenses of the Partnership. This amount is deducted from the consideration payable for the subordinated notes in the form of discount which is amortised to the profit and loss account. This resulting discount on the subordinated notes is deducted from their nominal value.

4. Distribution to Limited Partners and amortisation of issue cost

| | 2007 | For the period 25 February 2005 to 31 March 2006 |
|--|----------------|---|
| | € | € |
| Distribution to Limited Partners attributable to preferred securities (note 10) | 36,572,318 | 40,582,192 |
| Amortisation of issue cost | <u>421,729</u> | <u>456,874</u> |

5. Other operating income

| | 2007 | For the period 25 February 2005 to 31 March 2006 |
|---|----------------|---|
| | € | € |
| Administration fee receivable from Bank of Ireland UK Holdings plc | 73,249 | 71,798 |
| Foreign exchange gains | 1,451 | - |
| Issue cost amortisation receivable from BOI G P No 1 Limited | 421,729 | 456,874 |
| | <u>496,429</u> | <u>528,672</u> |

Under the terms of the Limited Partnership Agreement between the Limited Partnership and the General Partner, the General Partner's commitment includes such amounts as are necessary to

BOI CAPITAL FUNDING (NO. 1) LP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR TO 31 MARCH 2007

pay all of the costs, expenses, debts, liabilities and obligations incurred in the proper operation of the Limited Partnership

The audit fee of the Partnership will be borne by BOI G P No 1 Limited

Under the terms of the subordinated notes Purchase Agreement entered between Bank of Ireland UK Holdings plc (the note issuer), and BOI Capital Funding (no 1) LP (the note purchaser), the note issuer agrees to pay the note purchaser an annual administration fee

6. Distribution to General Partner

| | 2007 | For the period 25 February 2005 to 31 March 2006 |
|---------------------------------|---------|---|
| | € | € |
| Distribution to General Partner | 496,429 | 528,672 |

Under the terms of the Limited Partnership Agreement between the Limited Partnership and the General Partner the remaining income in the Partnership after payments to the holders of the Preferred Securities is distributed to the General Partner

7. Members and employees

BOI Capital Funding (no 1) LP is administered by the General Partner (BOI G P No 1 Limited) who bears all costs associated with the Partnership. There are no employees of either the Partnership or the General Partner and directors of the General Partner receive no remuneration in respect of their services. The Directors and other staff who support the General Partner and the Partnership are all employees of the Bank of Ireland Group. The Directors' remuneration and average number of staff employed are included in the accounts of Bank of Ireland Group. It is not possible to separately identify the related cost for the General Partner or the Partnership.

8. Debtors

| | 2007 | 2006 |
|---|--------------------|--------------------|
| | € | € |
| Amounts falling due within one year | | |
| Accrued interest receivable on subordinated notes | 36,572,318 | 40,582,192 |
| Amortised issue cost receivable from BOI G P No 1 Limited | 878,603 | 456,874 |
| Amounts due from Bank of Ireland UK Holdings plc | 146,498 | 71,798 |
| Amounts due from the Members under the Terms of the Limited Partnership Agreement | 1 | 1 |
| | <u>37,597,420</u> | <u>41,110,865</u> |
| Amounts falling due after more than one year | | |
| Amounts due on subordinated notes issued by Bank of Ireland UK Holdings plc (*) | 600,000,000 | 600,000,000 |
| Unamortised discount on issue | (11,773,280) | (12,195,009) |
| | <u>588,226,720</u> | <u>587,804,991</u> |

BOI CAPITAL FUNDING (NO. 1) LP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR TO 31 MARCH 2007

(*) The subordinated notes relate to the issue of Euro 600,000,000 fixed rate/variable rate subordinated notes by Bank of Ireland UK Holdings plc to BOI Capital Funding (no 1) LP on 3 March 2005

9. Creditors: amounts falling due within one year

| | 2007 € | 2006 € |
|---|-------------------|-------------------|
| Accrued distribution to Limited Partners attributable to preferred securities | 36,572,318 | 40,582,192 |
| Amounts due to BOI G P No 1 Limited | 1,025,101 | 528,672 |
| | <u>37,597,419</u> | <u>41,110,864</u> |

10. Preferred securities

| | 2007 € | 2006 € |
|--|--------------------|--------------------|
| Preferred securities issued | 600,000,000 | 600,000,000 |
| Unamortised issue costs (receivable from BOI G P No 1 Limited) | (11,773,280) | (12,195,009) |
| | <u>588,226,720</u> | <u>587,804,991</u> |

The securities issued relate to Euro 600,000,000 of fixed rate/variable rate guaranteed non-voting, non-cumulative perpetual preferred securities, comprising limited partnership interests in BOI Capital Funding (no 1) LP, issued on 2 March 2005. The rights attached to these securities are

- A distribution of 6.25% annually in arrears on 3 March 2006 and 3 March 2007 and a variable rate thereafter equal to the lesser of (i) the aggregate of 0.10% and the annual spot 10 year EUR fixed versus 6 month EUR EURIBOR swap rate and (ii) 8 %
- The preferred securities are not subject to any mandatory redemption provisions. The preferred securities will be redeemable however, subject to satisfaction of the redemption conditions and the prior consent of the Irish Financial Services Regulatory Authority, on 3 March 2010 or on any distribution payment date thereafter in whole, but not in part, at the option of BOI G P No 1 Limited
- In the event of dissolution of the Partnership claims of the holders of the securities will rank as if the securities were non-cumulative preference shares issued by the Governor and Company of the Bank of Ireland (the Guarantor). All obligations of the Partnership to make payments in respect of the securities will be guaranteed on a limited and subordinated basis by the Guarantor

BOI CAPITAL FUNDING (NO. 1) LP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR TO 31 MARCH 2007

11. Members' interests

| | € | 31 March 2007 € |
|------------------------------|-----------------------------|--------------------------------|
| | Members' capital | Total |
| At the beginning of the year | 10,001 | 10,001 |
| Introduced by the Members | - | - |
| At the end of the year | <u>10,001</u> | <u>10,001</u> |

12. Members of the partnership

The Partners are BOI G P No 1 Limited (the General Partner) and Citivic Nominees Limited (the Initial Limited Partner) The Partnership is consolidated in to the accounts of The Governor and Company of Bank of Ireland, a Charter Company incorporated in the Republic of Ireland A copy of Bank of Ireland Group accounts may be obtained from Bank of Ireland, Lower Baggot Street, Dublin 2

BOI CAPITAL FUNDING (NO. 2) LP

**MEMBERS' REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2007**

THESE PARTNERSHIP
ACCOUNTS FORM
PART OF THE ACCOUNTS
OF COMPANY
No. 5324484

BOI CAPITAL FUNDING (NO. 2) LP

CONTENTS

| | Page |
|---|-------------|
| MEMBERS' REPORT | 2 |
| INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BOI CAPITAL FUNDING (NO 2) LP | 4 |
| PROFIT AND LOSS ACCOUNT | 6 |
| BALANCE SHEET | 7 |
| NOTES TO THE FINANCIAL STATEMENTS | 8 |

BOI CAPITAL FUNDING (NO. 2) LP

MEMBERS' REPORT

FOR THE PERIOD 18 JANUARY 2006 TO 31 MARCH 2007

The Members present their report and the audited financial statements for BOI Capital Funding (No 2) LP (the Partnership) for the period from 18 January 2006 to 31 March 2007

Principal activities

The Partnership was formed on 18 January 2006 by BOI G P No 1 Limited (the General Partner) and Merrill Lynch International (the Initial Limited Partner). The Partnership's principal activity is, and will continue to be, to raise and provide finance and financial support to the Bank of Ireland Group.

Business review

The Partnership issued U S dollar 800,000,000 of fixed rate/floating rate guaranteed non-voting Non-cumulative perpetual preferred securities, comprising limited partnership interests in the Partnership, on 27 January 2006.

Results

There was neither a profit nor a loss in the period.

Designated Members of the Partnership

The initial Designated Members, who were admitted on 18 January 2006, were BOI G P No 1 Limited (the General Partner) and Merrill Lynch International (the Initial Limited Partner). Merrill Lynch International withdrew on the issue date of the offer and Cede & Co (a nominee of The Depository Trust Company) was thereafter registered as a Limited Partner. The General Partner and Cede & Co served throughout the period.

Going concern

After making enquiries, the General Partner has a reasonable expectation that the Partnership has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the accounts.

Creditor payment policy

Creditors are paid under the terms of the contractual agreement or as agreed with individual suppliers.

BOI CAPITAL FUNDING (NO. 2) LP

MEMBERS' REPORT

FOR THE PERIOD 18 JANUARY 2006 TO 31 MARCH 2007

Statement of the General Partner's responsibilities

The following statement, which should be read in conjunction with the Independent Auditors' Report on page 4, is made with a view to distinguishing the respective responsibilities of the General Partner and the auditors in relation to the financial statements

The Partnerships and Unlimited Companies (Accounts) Regulations 1993 requires the General Partner to prepare financial statements for each financial period, which give a true and fair view of the state of affairs of the Partnership as at the end of the financial period and of the profit or loss of the Partnership for that period

With regard to the financial statements on pages 6 to 12, the General Partner has determined that it is appropriate that they continue to be prepared on a going concern basis and consider that in their preparation -

- suitable accounting policies have been used and applied consistently,
- judgements and estimates that are reasonable and prudent have been made, and
- applicable accounting standards have been followed

The General Partner is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Partnership and enable them to confirm that the financial statements comply with the Partnership and Unlimited Companies (Accounts) Regulations 1993. They are also responsible for safeguarding the assets of the Partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

The General Partner at the time of approving this report, confirms the following

(a) so far as the General Partner is aware, there is no information of which the Partnership auditors are unaware, and

(b) the General Partner has taken all the steps it ought to have taken as the General Partner, in order to make itself aware of any relevant audit information, and to establish that the Partnership auditors are aware of that information

Signed by order of the General Partner



Kieran Coleman for and on behalf of the General Partner
19 August 2008

BOI CAPITAL FUNDING (NO. 2) LP

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BOI CAPITAL FUNDING (NO 2) LP

FOR THE PERIOD 18 JANUARY 2006 TO 31 MARCH 2007

We have audited the financial statements of BOI Capital Funding (No 2) LP for the period ended 31 March 2007 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of the General Partner and auditors

The General Partner's responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of General Partner's Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the Partners as a body in accordance with the Limited Partnership Agreement, and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Limited Partnership Agreement. We also report to you if, in our opinion, the Members' Partner's Report is not consistent with the financial statements, if the limited partnership has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit.

We read the other information contained in the Members' Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Members' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the General Partner in the preparation of the financial statements, and of whether the accounting policies are appropriate to the limited partnership's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

BOI CAPITAL FUNDING (NO. 2) LP

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BOI CAPITAL FUNDING (NO 2) LP

FOR THE PERIOD 18 JANUARY 2006 TO 31 MARCH 2007

Opinion

In our opinion the financial statements

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Limited Partnership's affairs as at 31 March 2007 and of its result for the period then ended, and
- have been properly prepared in accordance with the provisions of the Limited Partnership Agreement

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors

Bristol

21 August 2008

BOI CAPITAL FUNDING (NO. 2) LP**PROFIT AND LOSS ACCOUNT****FOR THE PERIOD 18 JANUARY 2006 TO 31 MARCH 2007**

| | Notes | For the period 18 January 2006 to 31 March 2007 U.S.\$ |
|----------------------------------|--------------|---|
| Interest receivable | 3 | 52,382,663 |
| Amortisation of discount | 3 | 977,291 |
| Distribution to Limited Partners | 4 | (52,382,663) |
| Amortisation of issue cost | 4 | <u>(977,291)</u> |
| | | - |
| Other operating income | 5 | 1,090,456 |
| Distribution to General Partner | 6 | (1,090,456) |
| Results for the period | | <u><u>-</u></u> |

The notes on pages 8 to 12 form part of these financial statements

The Partnership has no recognised gains or losses other than its profit or loss for the period

All results relate to continuing activities

BOI CAPITAL FUNDING (NO. 2) LP**BALANCE SHEET**

AS AT 31 MARCH 2007

| | Notes | 31 March 2007 U.S.\$ |
|---|--------------|-------------------------------------|
| Assets | | |
| Cash at bank and in hand | | 10,000 |
| Debtors | | |
| Amounts falling due within one year | 8 | 53,473,120 |
| Amounts falling due after more than one year | 8 | <u>792,600,514</u> |
| Net current assets and net assets | | 846,083,634 |
| Creditors: Amounts falling due within one year | 9 | 53,473,119 |
| | | <u>792,610,515</u> |
| Preferred securities | 10 | 792,600,514 |
| Net assets | | <u><u>10,001</u></u> |
| Represented by | | |
| Members' interests | 11 | 10,001 |
| | | <u><u>10,001</u></u> |

The notes on pages 8 to 12 form part of these financial statements

These financial statements were approved by the General Partner on 19 August 2008 and signed on its behalf by



Kieran Coleman for and on behalf of the General Partner
19 August 2008

BOI CAPITAL FUNDING (NO. 2) LP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD 18 JANUARY 2006 TO 31 MARCH 2007

1. Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards as required by the Statutory Instruments 1993 No 1820, the Partnerships and Unlimited Companies (Accounts) Regulations 1993

The accounts are drawn up in U S dollars

The Partnership has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS1 "Cash flow statements (revised 1996)". A consolidated cash flow statement is included in the Bank of Ireland Group accounts

The Partnership is exempt under the terms of FRS 8 from disclosing related party transactions with entities that are part of the Bank of Ireland Group. BOI Capital Funding (No 2) LP is considered to be part of the Bank of Ireland Group on the basis that the Company exerts control over this entity. As the Bank of Ireland Group exerts control over the Partnership, it has taken advantage of the exemption not to disclose any transactions or balances with entities that are part of the Group or investees of the Group qualifying as related parties. The consolidated financial statements in which the Partnership is included are publicly available

Interest receivable

Interest receivable is accounted for on an accruals basis

Distribution to Limited Partners

Distribution to Limited Partners is accounted for on an accruals basis

Amortisation of subordinated notes discount

The discount on the subordinated notes is amortised to the profit and loss account over useful estimated lives of the underlying instruments

Other operating income

The income from the General Partner is accounted for on an accruals basis

Amortisation of preferred securities issue expenses

The preferred securities issue expenses are amortised to the profit and loss account over useful estimated lives of underlying instruments

Foreign currencies

Assets and liabilities denominated in foreign currencies are translated into U S dollars using the rate of exchange ruling at the balance sheet date and the gains and losses on translation are included in the profit and loss account. Income and expenses denominated in foreign currencies are translated into euros using the rate of exchange ruling at the date of the transaction

Preferred securities

The preferred securities are classified as debt as they are non-voting, carry an interest coupon and whilst perpetual, in substance are expected to have a finite life

BOI CAPITAL FUNDING (NO. 2) LP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD 18 JANUARY 2006 TO 31 MARCH 2007

2. Formation

The partnership was formed on 18 January 2006

3. Interest receivable and amortisation of discount

**For the period 18 January
2006 to 31 March 2007**

U.S.\$

| | |
|--|----------------|
| Interest receivable on subordinated notes issued by Bank of Ireland UK Holdings plc | 52,382,663 |
| Amortisation of discount on subordinated notes | <u>977,291</u> |

Under the terms of the subordinated notes Purchase Agreement entered between Bank of Ireland UK Holdings plc (the note issuer), and BOI Capital Funding (No 2) LP (the note purchaser), the note issuer agrees to pay the note purchaser an amount equal to the costs and expenses of the Partnership. This amount is deducted from the consideration payable for the subordinated notes in the form of discount which is amortised to the profit and loss account. This resulting discount on the subordinated notes is deducted from their nominal value.

4. Distribution to Limited Partners and amortisation of issue cost

**For the period 18 January
2006 to 31 March 2007**

U.S.\$

| | |
|--|----------------|
| Distribution to Limited Partners attributable to preferred securities (note 10) | 52,382,663 |
| Amortisation of issue cost | <u>977,291</u> |

5. Other operating income

**For the period 18 January
2006 to 31 March 2007**

U.S.\$

| | |
|---|------------------|
| Administration fee receivable from Bank of Ireland UK Holdings plc | 113,165 |
| Issue cost amortisation receivable from BOI G P No 1 Limited | 977,291 |
| | <u>1,090,456</u> |

Under the terms of the Limited Partnership Agreement between the Limited Partnership and the General Partner, the General Partner's commitment includes such amounts as are necessary to pay all of the costs, expenses, debts, liabilities and obligations incurred in the proper operation of the Limited Partnership.

The audit fee of the Partnership will be borne by BOI G P No 1 Limited.

Under the terms of the subordinated notes Purchase Agreement entered between Bank of Ireland UK Holdings plc (the note issuer), and BOI Capital Funding (No 2) LP (the note purchaser), the note issuer agrees to pay the note purchaser an annual administration fee.

BOI CAPITAL FUNDING (NO. 2) LP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD 18 JANUARY 2006 TO 31 MARCH 2007

6. Distribution to General Partner

**For the period 18 January
2006 to 31 March 2007
U.S.\$**

| | |
|---------------------------------|------------------|
| Distribution to General Partner | <u>1,090,456</u> |
|---------------------------------|------------------|

Under the terms of the Limited Partnership Agreement between the Limited Partnership and the General Partner the remaining income in the Partnership after payments to the holders of the Preferred Securities is distributed to the General Partner

7. Members and employees

BOI Capital Funding (No 2) LP is administered by the General Partner (BOI G P No 1 Limited) who bears all costs associated with the Partnership. There are no employees of either the Partnership or the General Partner and directors of the General Partner receive no remuneration in respect of their services. The Directors and other staff who support the General Partner and the Partnership are all employees of the Bank of Ireland Group. The Directors' remuneration and average number of staff employed are included in the accounts of the Bank of Ireland Group. It is not possible to separately identify the related cost for the General Partner or the Partnership.

8. Debtors

**31 March
2007
U.S.\$**

| | |
|--|--------------------|
| Amounts falling due within one year | |
| Accrued interest receivable on subordinated notes | 52,382,663 |
| Amortised issue cost receivable from BOI G P No 1 Limited | 977,291 |
| Amounts due from Bank of Ireland UK Holdings plc | 113,165 |
| Amounts due from the Members under the Terms of the Limited Partnership Agreement | 1 |
| | <u>53,473,120</u> |
| Amounts falling due after more than one year | |
| Amounts due on subordinated notes issued by Bank of Ireland UK Holdings plc (*) | 800,000,000 |
| Unamortised discount on issue | (7,399,486) |
| | <u>792,600,514</u> |

(*) The subordinated notes relate to the issue of U S \$800,000,000 fixed rate/floating rate subordinated notes by Bank of Ireland UK Holdings plc to BOI Capital Funding (No 2) LP on 27 January 2006

BOI CAPITAL FUNDING (NO. 2) LP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD 18 JANUARY 2006 TO 31 MARCH 2007

9. Creditors: amounts falling due within one year

| | 31 March 2007 U.S.\$ |
|---|----------------------------|
| Accrued distribution to Limited Partners attributable to preferred securities | 52,382,663 |
| Amounts due from BOI G P No 1 Limited | 1,090,456 |
| | <u>53,473,119</u> |

10. Preferred securities

| | 31 March 2007 U.S.\$ |
|--|----------------------------|
| Preferred securities issued | 800,000,000 |
| Unamortised issue costs (receivable from BOI G P No 1 Limited) | (7,399,486) |
| | <u>792,600,514</u> |

The securities issued relate to U S \$800,000,000 fixed rate/floating rate guaranteed non-voting non-cumulative perpetual preferred securities having the benefit of a subordinated guarantee of The Governor and Company of Bank of Ireland issued on 27 January 2006. The rights attached to these securities are

- A distribution of 5.571% semi-annually in arrears on 1 February and 1 August in each year, commencing 1 August 2006 until 1 February 2016, and thereafter payable quarterly in arrear on 1 February, 1 May, 1 August, and 1 November in each year commencing on 1 May 2016. The rate shall be 1.68% above the three month U S dollar LIBOR rate.
- The preferred securities are not subject to any mandatory redemption provisions. The preferred securities will be redeemable however, subject to satisfaction of the redemption and substitution conditions and the prior consent of the Irish Financial Services Regulatory Authority, on 1 February 2016 or on any distribution payment date thereafter in whole, but not in part, at the option of BOI G P No 1 Limited.
- In the event of dissolution of the Partnership claims of the holders of the securities will rank as if the securities were non-cumulative preference shares issued by The Governor and Company of Bank of Ireland (the Guarantor). All obligations of the Partnership to make payments in respect of the securities will be guaranteed on a limited and subordinated basis by the Guarantor.

BOI CAPITAL FUNDING (NO. 2) LP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD 18 JANUARY 2006 TO 31 MARCH 2007

11. Members' interests

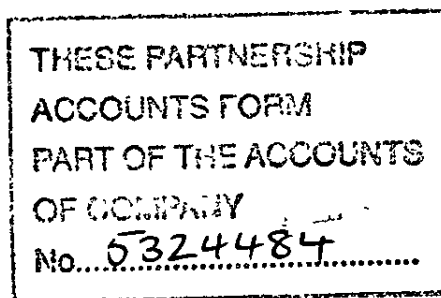
| | U.S.\$ Members' capital | 31 March 2007 U.S.\$ Total |
|--------------------------------|--|---|
| At the beginning of the period | - | - |
| Introduced by Members | 10,001 | 10,001 |
| At the end of the period | <u>10,001</u> | <u>10,001</u> |

12. Members of the partnership

The Partners are BOI G P No 1 Limited (the General Partner) and Cede & Co (the Limited Partner) The Partnership is consolidated in to the accounts of The Governor and Company of Bank of Ireland, a Charter Company incorporated in the Republic of Ireland A copy of Bank of Ireland Group accounts may be obtained from Bank of Ireland, Lower Baggot Street, Dublin 2

BOI CAPITAL FUNDING (NO. 3) LP

**MEMBERS' REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2007**



BOI CAPITAL FUNDING (NO. 3) LP

CONTENTS

| | Page |
|--|-------------|
| MEMBERS' REPORT | 2 |
| INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BOI CAPITAL FUNDING (NO. 3) LP | 4 |
| PROFIT AND LOSS ACCOUNT | 6 |
| BALANCE SHEET | 7 |
| NOTES TO THE FINANCIAL STATEMENTS | 8 |

BOI CAPITAL FUNDING (NO. 3) LP

MEMBERS' REPORT

FOR THE PERIOD 26 JANUARY 2006 TO 31 MARCH 2007

The Members present their report and the audited financial statements for BOI Capital Funding (No 3) LP (the Partnership) for the period from 26 January 2006 to 31 March 2007

Principal activities

The Partnership was formed on 26 January 2006 by BOI G P No 1 Limited (the General Partner) and Merrill Lynch International (the Initial Limited Partner). The Partnership's principal activity is, and will continue to be, to raise and provide finance and financial support to the Bank of Ireland Group.

Business review

The Partnership issued U S dollars 400,000,000 of fixed rate/floating rate guaranteed non-voting non-cumulative perpetual preferred securities, comprising limited partnership interests in the Partnership, on 3 February 2006.

Results

There was neither a profit nor a loss in the period.

Designated Members of the Partnership

The initial Designated Members, who were appointed on 26 January 2006, were BOI G P No 1 Limited (the General Partner) and Merrill Lynch International (the Initial Limited Partner). Merrill Lynch International withdrew on the issue date of the offer and Cede & Co (a nominee of The Depository Trust Company) was thereafter registered as a Limited Partner. The General Partner and Cede & Co served throughout the period.

Going concern

After making enquiries, the General Partner has a reasonable expectation that the Partnership has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the accounts.

Creditor payment policy

Creditors are paid under the terms of the contractual agreement or as agreed with individual suppliers.

BOI CAPITAL FUNDING (NO. 3) LP

MEMBERS' REPORT

FOR THE PERIOD 26 JANUARY 2006 TO 31 MARCH 2007

Statement of the General Partner's responsibilities

The following statement, which should be read in conjunction with the Independent Auditors' Report on page 4, is made with a view to distinguishing the respective responsibilities of the General Partner and the auditors in relation to the financial statements

The Partnerships and Unlimited Companies (Accounts) Regulations 1993 requires the General Partner to prepare financial statements for each financial period, which give a true and fair view of the state of affairs of the Partnership as at the end of the financial period and of the profit or loss of the Partnership for that period

With regard to the financial statements on pages 6 to 12, the General Partner has determined that it is appropriate that they continue to be prepared on a going concern basis and consider that in their preparation -

- suitable accounting policies have been used and applied consistently,
- judgements and estimates that are reasonable and prudent have been made, and
- applicable accounting standards have been followed

The General Partner is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Partnership and enable them to confirm that the financial statements comply with the Partnership and Unlimited Companies (Accounts) Regulations 1993. They are also responsible for safeguarding the assets of the Partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

The General Partner at the time of approving this report, confirms the following

(a) so far as the General Partner is aware, there is no information of which the Partnership auditors are unaware, and

(b) the General Partner has taken all the steps it ought to have taken as the General Partner, in order to make itself aware of any relevant audit information, and to establish that the Partnership auditors are aware of that information

Signed by order of the General Partner



Kieran Coleman for and on behalf of the General Partner
19 August 2008

BOI CAPITAL FUNDING (NO. 3) LP

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BOI CAPITAL FUNDING (NO 3) LP

FOR THE PERIOD 26 JANUARY 2006 TO 31 MARCH 2007

We have audited the financial statements of BOI Capital Funding (No 3) LP for the period ended 31 March 2007 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of the General Partner and auditors

The General Partner's responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of General Partner's Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the Partners as a body in accordance with the Limited Partnership Agreement, and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Limited Partnership Agreement. We also report to you if, in our opinion, the Members' Report is not consistent with the financial statements, if the limited partnership has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit.

We read the other information contained in the Members' Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Members' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the General Partner in the preparation of the financial statements, and of whether the accounting policies are appropriate to the limited partnership's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

BOI CAPITAL FUNDING (NO. 3) LP

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BOI CAPITAL FUNDING
(NO 3) LP**

FOR THE PERIOD 26 JANUARY 2006 TO 31 MARCH 2007

Opinion

In our opinion the financial statements

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Limited Partnership's affairs as at 31 March 2007 and of its result for the period then ended, and
- have been properly prepared in accordance with the provisions of the Limited Partnership Agreement

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors

Bristol

21 August 2008

BOI CAPITAL FUNDING (NO. 3) LP**PROFIT AND LOSS ACCOUNT****FOR THE PERIOD 26 JANUARY 2006 TO 31 MARCH 2007**

| | Notes | For the period 26 January 2006 to 31 March 2007 U.S.\$ |
|----------------------------------|--------------|---|
| Interest receivable | 3 | 28,242,784 |
| Amortisation of discount | 3 | 474,408 |
| Distribution to Limited Partners | 4 | (28,242,784) |
| Amortisation of issue cost | 4 | <u>(474,408)</u> |
| | | - |
| Other operating income | 5 | 585,501 |
| Distribution to General Partner | 6 | (585,501) |
| Results for the period | | <u><u>-</u></u> |

The notes on pages 8 to 12 form part of these financial statements

The Partnership has no recognised gains or losses other than its profit or loss for the period

All results relate to continuing activities

BOI CAPITAL FUNDING (NO. 3) LP**BALANCE SHEET**

AS AT 31 MARCH 2007

| | Notes | 31 March 2007 U.S.\$ |
|---|-------|----------------------------|
| Assets | | |
| Cash at bank and in hand | | 10,000 |
| Debtors | | |
| Amounts falling due within one year | 8 | 28,828,286 |
| Amounts falling due after more than one year | 8 | <u>396,408,053</u> |
| Net current assets and net assets | | 425,246,339 |
| Creditors: Amounts falling due within one year | 9 | 28,828,285 |
| | | <u>396,418,054</u> |
| Preferred securities | 10 | 396,408,053 |
| Net assets | | <u><u>10,001</u></u> |
| Represented by | | |
| Members' interests | 11 | 10,001 |
| | | <u><u>10,001</u></u> |

The notes on pages 8 to 12 form part of these financial statements

These financial statements were approved by the General Partner on 19 August 2008 and signed on its behalf by



Kieran Coleman for and on behalf of the General Partner
19 August 2008

BOI CAPITAL FUNDING (NO. 3) LP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD 26 JANUARY 2006 TO 31 MARCH 2007

1. Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards as required by the Statutory Instruments 1993 No 1820, the Partnerships and Unlimited Companies (Accounts) Regulations 1993

The accounts are drawn up in U.S. dollars

The Partnership has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS1 "Cash flow statements (revised 1996)". A consolidated cash flow statement is included in the Bank of Ireland Group accounts

The Partnership is exempt under the terms of FRS 8 from disclosing related party transactions with entities that are part of the Bank of Ireland Group. BOI Capital Funding (No. 3) LP is considered to be part of the Bank of Ireland Group on the basis that the Company exerts control over this entity. As the Bank of Ireland Group exerts control over the Partnership, it has taken advantage of the exemption not to disclose any transactions or balances with entities that are part of the Group or investees of the Group qualifying as related parties. The consolidated financial statements in which the Partnership is included are publicly available

Interest receivable

Interest receivable is accounted for on an accruals basis

Distribution to Limited Partners

Distribution to Limited Partners is accounted for on an accruals basis

Amortisation of subordinated notes discount

The discount on the subordinated notes is amortised to the profit and loss account over useful estimated lives of the underlying instruments

Other operating income

The income from the General Partner is accounted for on an accruals basis

Amortisation of preferred securities issue expenses

The preferred securities issue expenses are amortised to the profit and loss account over useful estimated lives of underlying instruments

Foreign currencies

Assets and liabilities denominated in foreign currencies are translated into U.S. dollars using the rate of exchange ruling at the balance sheet date and the gains and losses on translation are included in the profit and loss account. Income and expenses denominated in foreign currencies are translated into euros using the rate of exchange ruling at the date of the transaction

Preferred securities

The preferred securities are classified as debt as they are non-voting, carry an interest coupon and whilst perpetual, in substance are expected to have a finite life

BOI CAPITAL FUNDING (NO. 3) LP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD 26 JANUARY 2006 TO 31 MARCH 2007

2. Formation

The partnership was formed on 26 January 2006

3. Interest receivable and amortisation of discount

**For the period 26 January
2006 to 31 March 2007
U.S.\$**

| | |
|--|----------------|
| Interest receivable on subordinated notes issued by Bank of Ireland UK Holdings plc | 28,242,784 |
| Amortisation of discount on subordinated notes | <u>474,408</u> |

Under the terms of the subordinated notes Purchase Agreement entered between Bank of Ireland UK Holdings plc (the note issuer), and BOI Capital Funding (No 3) LP (the note purchaser), the note issuer agrees to pay the note purchaser an amount equal to the costs and expenses of the Partnership. This amount is deducted from the consideration payable for the subordinated notes in the form of discount which is amortised to the profit and loss account. This resulting discount on the subordinated notes is deducted from their nominal value.

4. Distribution to Limited Partners and amortisation of issue cost

**For the period 26 January
2006 to 31 March 2007
U.S.\$**

| | |
|--|----------------|
| Distribution to Limited Partners attributable to preferred securities (note 10) | 28,242,784 |
| Amortisation of issue cost | <u>474,408</u> |

5. Other operating income

**For the period 26 January
2006 to 31 March 2007
U.S.\$**

| | |
|--|----------------|
| Administration fees receivable from Bank of Ireland UK Holdings plc | 111,093 |
| Issue cost amortisation receivable from BOI G P No 1 Limited | 474,408 |
| | <u>585,501</u> |

Under the terms of the Limited Partnership Agreement between the Limited Partnership and the General Partner, the General Partner's commitment includes such amounts as are necessary to pay all of the costs, expenses, debts, liabilities and obligations incurred in the proper operation of the Limited Partnership.

The audit fee of the Partnership will be borne by BOI G P No 1 Limited.

Under the terms of the subordinated notes Purchase Agreement entered between Bank of Ireland UK Holdings plc (the note issuer), and BOI Capital Funding (No 3) LP (the note purchaser), the note issuer agrees to pay the note purchaser an annual administration fee.

BOI CAPITAL FUNDING (NO. 3) LP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD 26 JANUARY 2006 TO 31 MARCH 2007

6. Distribution to General Partner

**For the period 26 January
2006 to 31 March 2007
U.S.\$**

| | |
|---------------------------------|----------------|
| Distribution to General Partner | <u>585,501</u> |
|---------------------------------|----------------|

Under the terms of the Limited Partnership Agreement between the Limited Partnership and the General Partner the remaining income in the Partnership after payments to the holders of the Preferred Securities is distributed to the General Partner

7. Members and employees

BOI Capital Funding (No 3) LP is administered by the General Partner (BOI G P No 1 Limited) who bears all costs associated with the Partnership. There are no employees of either the Partnership or the General Partner and directors of the General Partner receive no remuneration in respect of their services. The Directors and other staff who support the General Partner and the Partnership are all employees of the Bank of Ireland Group. The Directors' remuneration and average number of staff employed are included in the accounts of the Bank of Ireland Group. It is not possible to separately identify the related cost for the General Partner or the Partnership.

8. Debtors

**31 March
2007
U.S.\$**

| | |
|--|--------------------|
| Amounts falling due within one year | |
| Accrued interest receivable on subordinated notes | 28,242,784 |
| Amortised issue cost receivable from BOI G P No 1 Limited | 474,408 |
| Amounts due from Bank of Ireland UK Holdings plc | 111,093 |
| Amounts due from the Members under the Terms of the Limited Partnership Agreement | 1 |
| | <u>28,828,286</u> |
| Amounts falling due after more than one year | |
| Amounts due on subordinated notes issued by Bank of Ireland UK Holdings plc (*) | 400,000,000 |
| Unamortised discount on issue | (3,591,947) |
| | <u>396,408,053</u> |

(*) The subordinated notes relate to the issue of U S \$400,000,000 fixed rate/floating rate subordinated notes by Bank of Ireland UK Holdings plc to BOI Capital Funding (No 3) LP on 3 February 2006.

BOI CAPITAL FUNDING (NO. 3) LP**NOTES TO THE FINANCIAL STATEMENTS****FOR THE PERIOD 26 JANUARY 2006 TO 31 MARCH 2007**

9. Creditors: amounts falling due within one year

| | 31 March 2007 U.S.\$ |
|---|-------------------------------------|
| Accrued distribution to Limited Partners attributable to preferred securities | 28,242,784 |
| Amounts due to BOI G P No 1 Limited | 585,501 |
| | <hr/> 28,828,285 <hr/> |

10. Preferred securities

| | 31 March 2007 U.S.\$ |
|--|-------------------------------------|
| Preferred securities issued | 400,000,000 |
| Unamortised issue costs (receivable from BOI G P No 1 Limited) | (3,591,947) |
| | <hr/> 396,408,053 <hr/> |

The securities issued relate to U S \$400,000,000 fixed rate/floating rate guaranteed non-voting non-cumulative perpetual preferred securities having the benefit of a subordinated guarantee of The Governor and Company of Bank of Ireland issued on 3 February 2006. The rights attached to these securities are

- A distribution of 6.107% semi-annually in arrears on 4 February and 4 August in each year, commencing 4 August 2006 until 1 February 2016, and thereafter payable quarterly in arrear on 4 February, 4 May, 4 August, and 4 November in each year commencing on 4 May 2016. The rate shall be 1.06% above the three month U S dollar LIBOR rate.
- The preferred securities are not subject to any mandatory redemption provisions. The preferred securities will be redeemable however, subject to satisfaction of the redemption and substitution conditions and the prior consent of the Irish Financial Services Regulatory Authority, on 4 February 2016 or on any distribution payment date falling on or about each tenth anniversary of 4 February 2016 in whole, but not in part, at the option of BOI G P No 1 Limited.
- In the event of dissolution of the Partnership claims of the holders of the securities will rank as if the securities were non-cumulative preference shares issued by The Governor and Company of Bank of Ireland (the Guarantor). All obligations of the Partnership to make payments in respect of the securities will be guaranteed on a limited and subordinated basis by the Guarantor.

BOI CAPITAL FUNDING (NO. 3) LP**NOTES TO THE FINANCIAL STATEMENTS****FOR THE PERIOD 26 JANUARY 2006 TO 31 MARCH 2007**

11. Members' interests

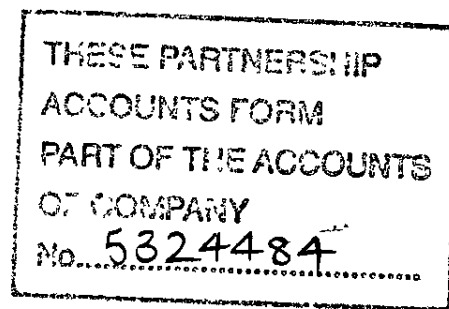
| | U.S.\$ | 31 March 2007 U.S.\$ |
|--------------------------------|-----------------------------|-------------------------------------|
| | Members' capital | Total |
| At the beginning of the period | - | - |
| Introduced by the Members | 10,001 | 10,001 |
| At the end of the period | <u>10,001</u> | <u>10,001</u> |

12. Members of the partnership

The Partners are BOI G P No 1 Limited (the General Partner) and Cede & Co (the Limited Partner) The Partnership is consolidated in to the accounts of The Governor and Company of Bank of Ireland, a Charter Company incorporated in the Republic of Ireland A copy of Bank of Ireland Group accounts may be obtained from Bank of Ireland, Lower Baggot Street, Dublin 2

BOI CAPITAL FUNDING (NO. 4) LP

**MEMBERS' REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2007**



BOI CAPITAL FUNDING (NO. 4) LP

CONTENTS

| | Page |
|---|-------------|
| MEMBERS' REPORT | 2 |
| INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BOI CAPITAL FUNDING (NO 4) LP | 4 |
| PROFIT AND LOSS ACCOUNT | 6 |
| BALANCE SHEET | 7 |
| NOTES TO THE FINANCIAL STATEMENTS | 8 |

BOI CAPITAL FUNDING (NO. 4) LP

MEMBERS' REPORT

FOR THE PERIOD 15 SEPTEMBER 2006 TO 31 MARCH 2007

The Members present their report and the audited financial statements for BOI Capital Funding (No 4) LP (the Partnership) for the period from 15 September 2006 to 31 March 2007

Principal activities

The Partnership was formed on 15 September 2006 by BOI G P No 1 Limited (the General Partner) and Citivic Nominees Limited (the Initial Limited Partner). The Partnership's principal activity is, and will continue to be, to raise and provide finance and financial support to the Bank of Ireland Group.

Business review

The Partnership issued £500,000,000 of fixed rate/floating rate guaranteed non-voting non-cumulative perpetual preferred securities, comprising limited partnership interests in the Partnership, on 20 September 2006.

Results

There was neither a profit nor a loss in the period.

Designated Members of the Partnership

The Designated Members during the period were BOI G P No 1 Limited (the General Partner) and Citivic Nominees Limited (the Initial Limited Partner). Both Members were admitted at the time of formation on 15 September 2006.

Going concern

After making enquiries, the General Partner has a reasonable expectation that the Partnership has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the accounts.

Creditor payment policy

Creditors are paid under the terms of the contractual agreement or as agreed with individual suppliers.

BOI CAPITAL FUNDING (NO. 4) LP

MEMBERS' REPORT

FOR THE PERIOD 15 SEPTEMBER 2006 TO 31 MARCH 2007

Statement of the General Partner's responsibilities

The following statement, which should be read in conjunction with the Independent Auditors' Report on page 4, is made with a view to distinguishing the respective responsibilities of the General Partner and the auditors in relation to the financial statements

The Partnerships and Unlimited Companies (Accounts) Regulations 1993 requires the General Partner to prepare financial statements for each financial period, which give a true and fair view of the state of affairs of the Partnership as at the end of the financial period and of the profit or loss of the Partnership for that period

With regard to the financial statements on pages 6 to 12, the General Partner has determined that it is appropriate that they continue to be prepared on a going concern basis and consider that in their preparation -

- suitable accounting policies have been used and applied consistently,
- judgements and estimates that are reasonable and prudent have been made, and
- applicable accounting standards have been followed

The General Partner is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Partnership and enable them to confirm that the financial statements comply with the Partnership and Unlimited Companies (Accounts) Regulations 1993. They are also responsible for safeguarding the assets of the Partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

The General Partner at the time of approving this report, confirms the following

(a) so far as the General Partner is aware, there is no information of which the Partnership auditors are unaware, and

(b) the General Partner has taken all the steps it ought to have taken as the General Partner, in order to make itself aware of any relevant audit information, and to establish that the Partnership auditors are aware of that information

Signed by order of the General Partner



Kieran Coleman for and on behalf of the General Partner
19 August 2008

BOI CAPITAL FUNDING (NO. 4) LP

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BOI CAPITAL FUNDING (NO 4) LP

FOR THE PERIOD 15 SEPTEMBER 2006 TO 31 MARCH 2007

We have audited the financial statements of BOI Capital Funding (No 4) LP for the period ended 31 March 2007 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of the General Partner and auditors

The General Partner's responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of General Partner's Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the Partners as a body in accordance with the Limited Partnership Agreement, and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Limited Partnership Agreement. We also report to you if, in our opinion, the Members' Report is not consistent with the financial statements, if the limited partnership has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit.

We read the other information contained in the Members' Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Members' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the General Partner in the preparation of the financial statements, and of whether the accounting policies are appropriate to the limited partnership's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

BOI CAPITAL FUNDING (NO. 4) LP

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BOI CAPITAL FUNDING
(NO 4) LP**

FOR THE PERIOD 15 SEPTEMBER 2006 TO 31 MARCH 2007

Opinion

In our opinion the financial statements

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Limited Partnership's affairs as at 31 March 2007 and of its result for the period then ended, and
- have been properly prepared in accordance with the provisions of the Limited Partnership Agreement

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors

Bristol

21 August 2008

BOI CAPITAL FUNDING (NO. 4) LP**PROFIT AND LOSS ACCOUNT****FOR THE PERIOD 15 SEPTEMBER 2006 TO 31 MARCH 2007**

| | Notes | For the period 15 September 2006 to 31 March 2007 £ |
|----------------------------------|--------------|--|
| Interest receivable | 3 | 16,998,549 |
| Amortisation of discount | 3 | 192,343 |
| Distribution to Limited Partners | 4 | (16,998,549) |
| Amortisation of issue cost | 4 | <u>(192,343)</u> |
| | | - |
| Other operating income | 5 | 219,329 |
| Distribution to General Partner | 6 | (219,329) |
| Results for the period | | <u><u>-</u></u> |

The notes on pages 8 to 12 form part of these financial statements

The Partnership has no recognised gains or losses other than its profit or loss for the period

All results relate to continuing activities

BOI CAPITAL FUNDING (NO. 4) LP**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE PERIOD 15 SEPTEMBER 2006 TO 31 MARCH 2007

| | Notes | 31 March 2007 £ |
|---|-------|-----------------------|
| Assets | | |
| Debtors | | |
| Amounts falling due within one year | 8 | 17,227,879 |
| Amounts falling due after more than one year | 8 | <u>496,730,343</u> |
| Net current assets and net assets | | 513,958,222 |
| Creditors: Amounts falling due within one year | 9 | 17,217,878 |
| | | <u>496,740,344</u> |
| Preferred securities | 10 | 496,730,343 |
| Net assets | | <u>10,001</u> |
| Represented by | | |
| Members' interests | 11 | 10,001 |
| | | <u>10,001</u> |

The notes on pages 8 to 12 form part of these financial statements

These financial statements were approved by the General Partner on 19 August 2008 and signed on its behalf by



Kieran Coleman for and on behalf of the General Partner
19 August 2008

BOI CAPITAL FUNDING (NO. 4) LP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD 15 SEPTEMBER 2006 TO 31 MARCH 2007

1. Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards as required by the Statutory Instruments 1993 No 1820, the Partnerships and Unlimited Companies (Accounts) Regulations 1993

The accounts are drawn up in GB pounds

The Partnership has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS1 "Cash flow statements (revised 1996)" A consolidated cash flow statement is included in the Bank of Ireland Group accounts

The Partnership is exempt under the terms of FRS 8 from disclosing related party transactions with entities that are part of the Bank of Ireland Group BOI Capital Funding (No 4) LP is considered to be part of the Bank of Ireland Group on the basis that the Company exerts control over this entity As the Bank of Ireland Group exerts control over the Partnership, it has taken advantage of the exemption not to disclose any transactions or balances with entities that are part of the Group or investees of the Group qualifying as related parties The consolidated financial statements in which the Partnership is included are publicly available

Interest receivable

Interest receivable is accounted for on an accruals basis

Distribution to Limited Partners

Distribution to Limited Partners is accounted for on an accruals basis

Amortisation of subordinated notes discount

The discount on the subordinated notes is amortised to the profit and loss account over useful estimated lives of the underlying instruments

Other Operating Income

The income from the General Partner is accounted for on an accruals basis

Amortisation of preferred securities issue expenses

The preferred securities issue expenses are amortised to the profit and loss account over useful estimated lives of underlying instruments

Foreign currencies

Assets and liabilities denominated in foreign currencies are translated into GB pounds using the rate of exchange ruling at the balance sheet date and the gains and losses on translation are included in the profit and loss account Income and expenses denominated in foreign currencies are translated into euros using the rate of exchange ruling at the date of the transaction

Preferred securities

The preferred securities are classified as debt as they are non-voting, carry an interest coupon and whilst perpetual, in substance are expected to have a finite life

BOI CAPITAL FUNDING (NO. 4) LP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD 15 SEPTEMBER 2006 TO 31 MARCH 2007

2. Formation

The Partnership was formed on 15 September 2006

3. Interest receivable and amortisation of discount

**For the period 15 September
2006 to 31 March 2007**
£

| | |
|--|----------------|
| Interest receivable on subordinated notes issued by The Governor and Company of Bank of Ireland, UK Branch | 16,998,549 |
| Amortisation of discount on subordinated notes | <u>192,343</u> |

Under the terms of the subordinated notes Purchase Agreement entered between The Governor and Company of Bank of Ireland, UK Branch (the note issuer), and BOI Capital Funding (No 4) LP (the note purchaser), the note issuer agrees to pay the note purchaser an amount equal to the costs and expenses of the Partnership. This amount is deducted from the consideration payable for the subordinated notes in the form of discount which is amortised to the profit and loss account. This resulting discount on the subordinated notes is deducted from their nominal value.

4. Distribution to Limited Partners and amortisation of issue cost

**For the period 15 September
2006 to 31 March 2007**
£

| | |
|--|----------------|
| Distribution to Limited Partners attributable to preferred securities (note 10) | 16,998,549 |
| Amortisation of issue cost | <u>192,343</u> |

5. Other operating income

**For the period 15 September
2006 to 31 March 2007**
£

| | |
|--|----------------|
| Administration fee receivable from The Governor and Company of Bank of Ireland, UK Branch | 26,986 |
| Issue cost amortisation receivable from BOI G P No 1 Limited | 192,343 |
| | <u>219,329</u> |

Under the terms of the Limited Partnership Agreement between the Limited Partnership and the General Partner, the General Partner's commitment includes such amounts as are necessary to pay all of the costs, expenses, debts, liabilities and obligations incurred in the proper operation of the Limited Partnership.

The audit fee of the Partnership will be borne by BOI G P No 1 Limited.

Under the terms of the subordinated notes Purchase Agreement entered between The Governor and Company of Bank of Ireland, UK Branch (the note issuer), and BOI Capital Funding (No 4) LP (the note purchaser), the note issuer agrees to pay the note purchaser an annual administration fee.

BOI CAPITAL FUNDING (NO. 4) LP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD 15 SEPTEMBER 2006 TO 31 MARCH 2007

6. Distribution to General Partner

For the period 15 September
2006 to 31 March 2007

£

| | |
|---------------------------------|---------|
| Distribution to General Partner | 219,329 |
|---------------------------------|---------|

Under the terms of the Limited Partnership Agreement between the Limited Partnership and the General Partner the remaining income in the Partnership after payments to the holders of the Preferred Securities is distributed to the General Partner

7. Members and employees

BOI Capital Funding (No 4) LP is administered by the General Partner (BOI G P No 1 Limited) who bears all costs associated with the Partnership. There are no employees of either the Partnership or the General Partner and directors of the General Partner receive no remuneration in respect of their services. The Directors and other staff who support the General Partner and the Partnership are all employees of the Bank of Ireland Group. The Directors' remuneration and average number of staff employed are included in the accounts of the Bank of Ireland Group. It is not possible to separately identify the related cost for the General Partner or the Partnership.

8. Debtors

31 March

2007

£

| | |
|--|--------------------|
| Amounts falling due within one year | |
| Accrued interest receivable on subordinated notes | 16,998,549 |
| Amortised issue cost receivable from BOI G P No 1 Limited | 192,343 |
| Amounts due from The Governor and Company of Bank of Ireland, UK Branch | 26,986 |
| Amounts due from the Members under the terms of the Limited Partnership Agreement | 10,001 |
| | <u>17,227,879</u> |
| Amounts falling due after more than one year | |
| Amounts due on subordinated notes issued by The Governor and Company of Bank of Ireland, UK Branch (*) | 500,000,000 |
| Unamortised discount on issue | (3,269,657) |
| | <u>496,730,343</u> |

(*) The subordinated notes relate to the issue of £500,000,000 fixed rate/floating rate subordinated notes by The Governor and Company of Bank of Ireland, UK Branch to BOI Capital Funding (No 4) LP on 20 September 2006

BOI CAPITAL FUNDING (NO. 4) LP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD 15 SEPTEMBER 2006 TO 31 MARCH 2007

9. Creditors: amounts falling due within one year

| | 31 March 2007 £ |
|---|-----------------------|
| Accrued distribution to Limited Partners attributable to preferred securities | 16,998,549 |
| Amounts due to BOI G P NO 1 Limited | 219,329 |
| | <u>17,217,878</u> |

10. Preferred securities

| | 31 March 2007 £ |
|--|-----------------------|
| Preferred securities issued | 500,000,000 |
| Unamortised issue costs (receivable from BOI G P No 1 Limited) | (3,269,657) |
| | <u>496,730,343</u> |

The securities issued relate to £500,000,000 fixed rate/floating rate guaranteed non-voting non-cumulative perpetual preferred securities having the benefit of a subordinated guarantee of The Governor and Company of Bank of Ireland issued on 20 September 2006. The rights attached to these securities are

- A distribution of 6.4295% semi-annually in arrears on 3 April and 3 October in each year, commencing 3 April 2007, until but excluding the distribution payment date falling on 3 April 2017, and thereafter payable quarterly in arrear on 3 January, 3 April, 3 July and 3 October in each year commencing on 3 July 2017. The rate shall be 1.5% above the rate for the London Inter-Bank Offered Rate for three month sterling deposits ("LIBOR")
- The preferred securities are not subject to any mandatory redemption provisions. The preferred securities will be redeemable however, subject to satisfaction of the redemption and substitution conditions and the prior consent of the Irish Financial Services Regulatory Authority, on 3 April 2017 or on any distribution payment date thereafter in whole, but not in part, at the option of BOI G.P No 1 Limited
- In the event of dissolution of the Partnership claims of the holders of the securities will rank as if the securities were non-cumulative preference shares issued by The Governor and Company of Bank of Ireland (the Guarantor). All obligations of the Partnership to make payments in respect of the securities will be guaranteed on a limited and subordinated basis by the Guarantor

BOI CAPITAL FUNDING (NO. 4) LP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD 15 SEPTEMBER 2006 TO 31 MARCH 2007

11. Members' interests

| | £ | 31 March 2007 £ |
|--------------------------------|-----------------------------|--------------------------------|
| | Members' capital | Total |
| At the beginning of the period | - | - |
| Introduced by the Members | 10,001 | 10,001 |
| At the end of the period | <u>10,001</u> | <u>10,001</u> |

12. Members of the Partnership

The Partners are BOI G P. No 1 Limited (the General Partner) and Citivic Nominees Limited (the Initial Limited Partner) The Partnership is consolidated in to the accounts of The Governor and Company of Bank of Ireland, a Charter Company incorporated in the Republic of Ireland A copy of Bank of Ireland Group accounts may be obtained from Bank of Ireland, Lower Baggot Street, Dublin 2