

Davy Irish Equity Conference

New York, January 2007

Presentation by
Peter Fitzpatrick,
Finance Director

Irish Life & Permanent plc

Agenda



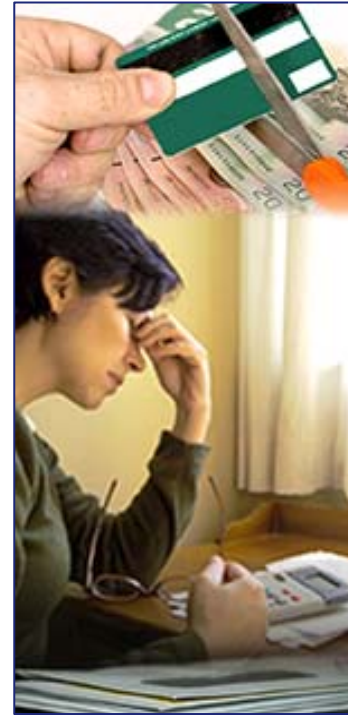
Trading



Competition



**Housing
Market**



**Credit
Quality**








Capital

2006 Trading Update

Irish

Life & Permanent plc

- ▶ Life sales  c.30%
- ▶ ILIM institutional inflows  €2 billion
- ▶ Bank new lending  c.30%
- ▶ New current accounts  80,000
- ▶ Pre-tax operating profit  20%+



▶ Plans for lump sum	%
Spend	32
Invest in Property	13
Retain / other investment	39
Pay debts	5
Other	11
▶ Plans for savings habit	%
Continue	64

what's your plan for the big

pay day?

start thinking now and
make the most of your SSIA

It seems there's loads of time before your Government Special Savings Incentive Account (SSIA) matures and the big pay day hits. But start thinking now and you'll really make the most of it. Irish Life and permanent tsb have combined our resources to help you make the most of yours. Whether you plan to save, spend or invest we can help your SSIA work harder for you.

For more information call 1890 551 551 or visit www.ssiaptions.ie

To help improve customer service we will record or monitor calls. Terms and conditions apply. Past performance is not necessarily a guide to future returns. Uncertainties can fall as well as rise. Loans are subject to lending criteria and assessment. Pensions, Investments and Savings are underwritten by Irish Life Assurance plc. Irish Life & Permanent plc (trading as permanent tsb) and Irish Life Assurance plc are regulated by the Financial Regulator. Irish Life & Permanent plc is a lead insurance agent for Irish Life Assurance plc.
LA 4385 (REV 04/06)



SSIAs - Experience to date

▶ Lump sum retention

Irish Life	55-60%
permanent tsb	c. 70%

▶ Continue with regular saving

Irish Life	c. 55%
permanent tsb	c. 30%



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 Irish Life

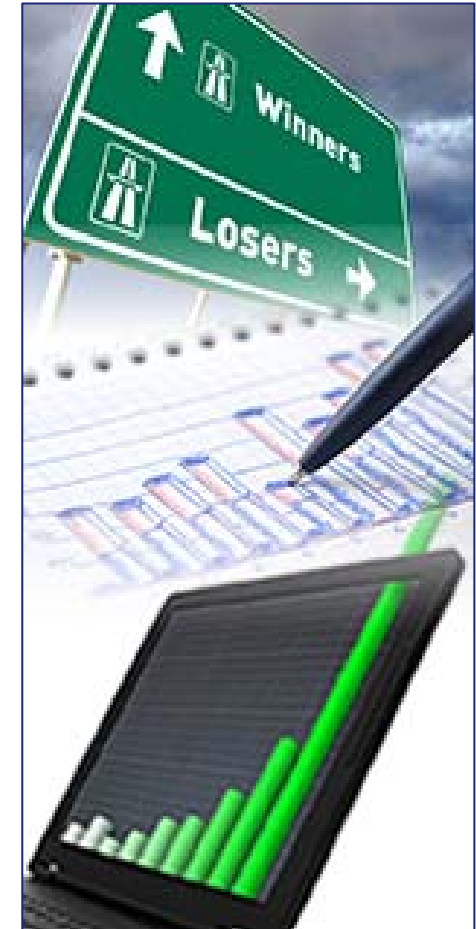
 permanent tsb

- ▶ c. 5% additions to housing stock in 2006 & 2007
- ▶ Rising interest rates and tax uncertainty slowed demand Q4 2006
- ▶ permanent tsb / ESRI house price index shows price appreciation moderating

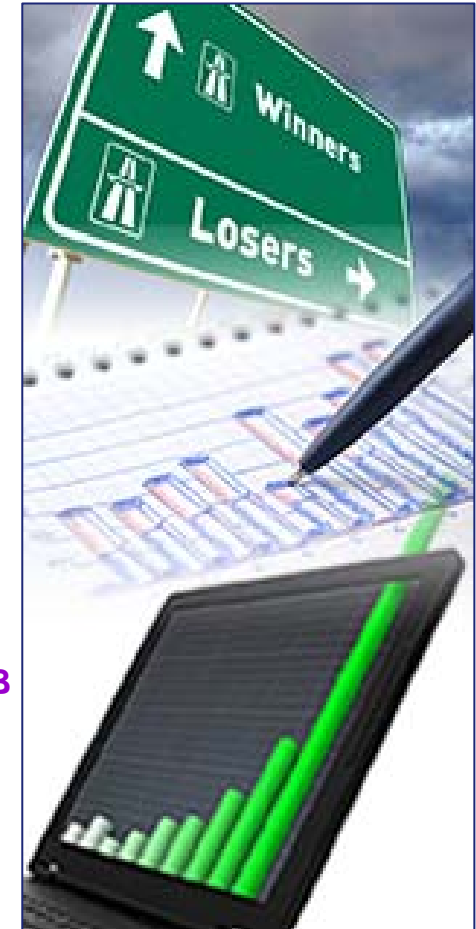
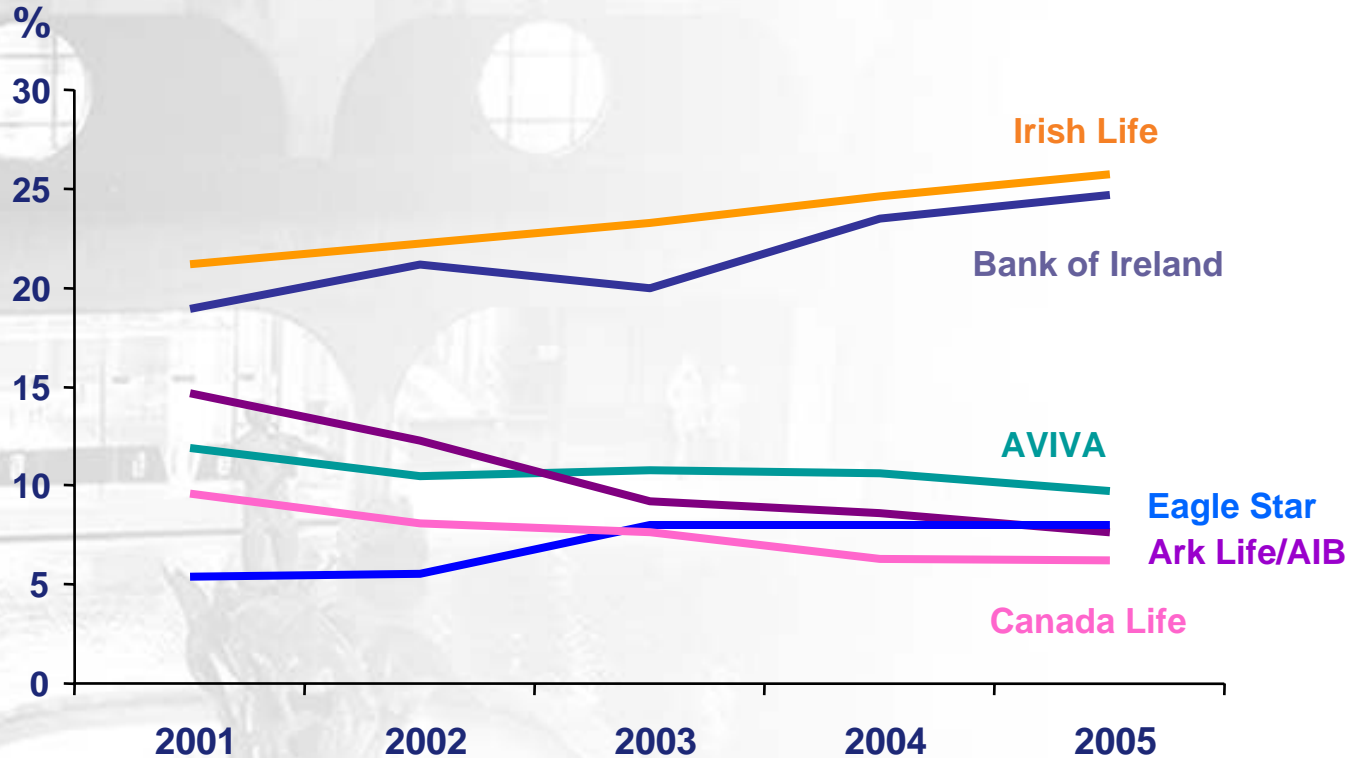


Competition - Banking

National Irish Bank

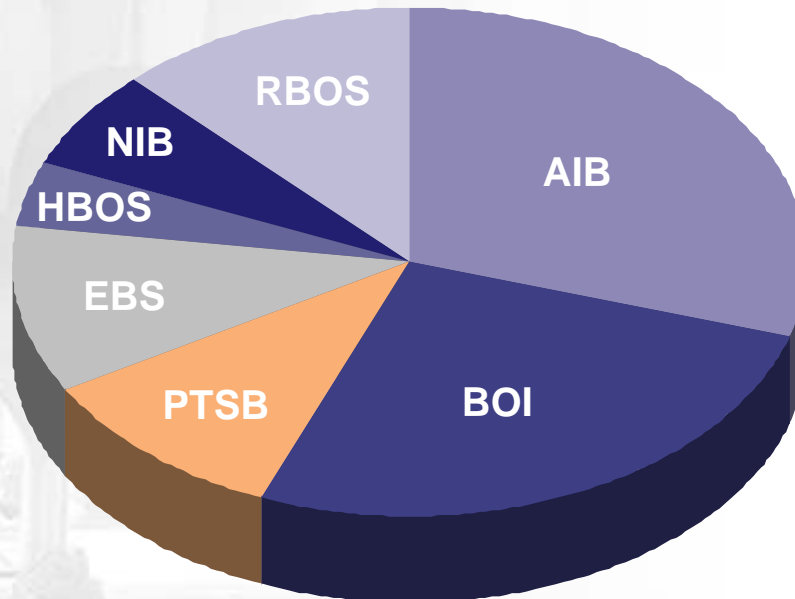


Life Market Share



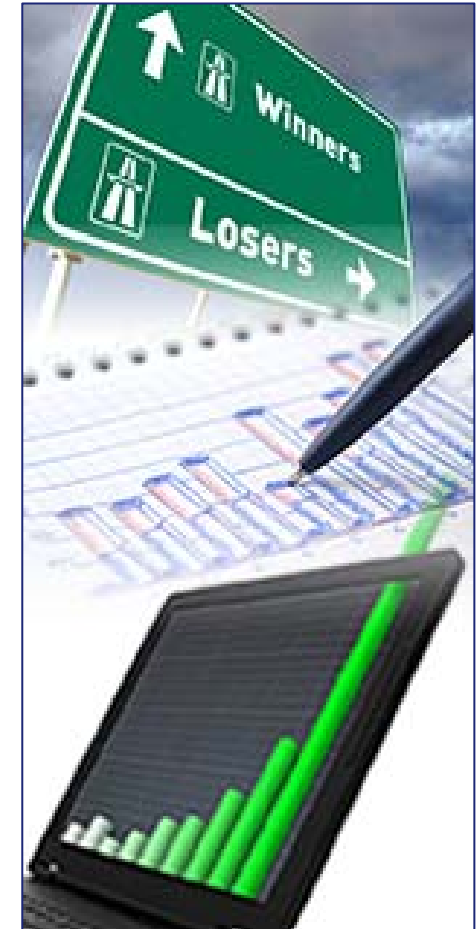
Irish Life gained share again in 2006

Retail Networks



Total Branches: 1,000

- ▶ ptsb most productive bancassurer
- ▶ Irish Life bancassurance provider to all networks except AIB & BOI

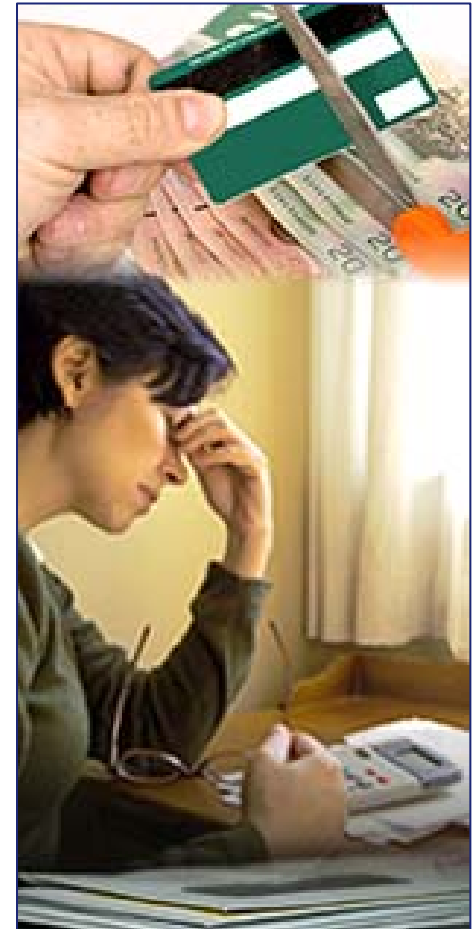


ROI Mortgages

- ▶ Arrears 1 month +: 0.12%
- ▶ Repossessions 14 out of 180,000 mortgages

UK Mortgages

- ▶ Arrears 3 months +: CHL 0.36%
Market 0.73%
- ▶ Repossessions 22 out of 25,000 mortgages



- ▶ **Developing sub-prime market**
- ▶ **Joint venture with Merrill Lynch**
- ▶ **Independently branded & regulated**
- ▶ **Originate & securitise**



BASEL 2

- ▶ Internal ratings based (IRB) approach required by Regulator
- ▶ Large capital reduction based on historic data
- ▶ Override by Regulator to limit capital release
- ▶ Competitive implications



- ▶ **Capital requirement (solvency margin) covered 1.7 times. Currently all Tier 1**
- ▶ **New business capital requirement funded from back-book**
- ▶ **Proposed sub-debt issue to re- balance debt capital between life company and bank**



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Thank You

Irish Life & Permanent plc