

Investor Information Group Overview



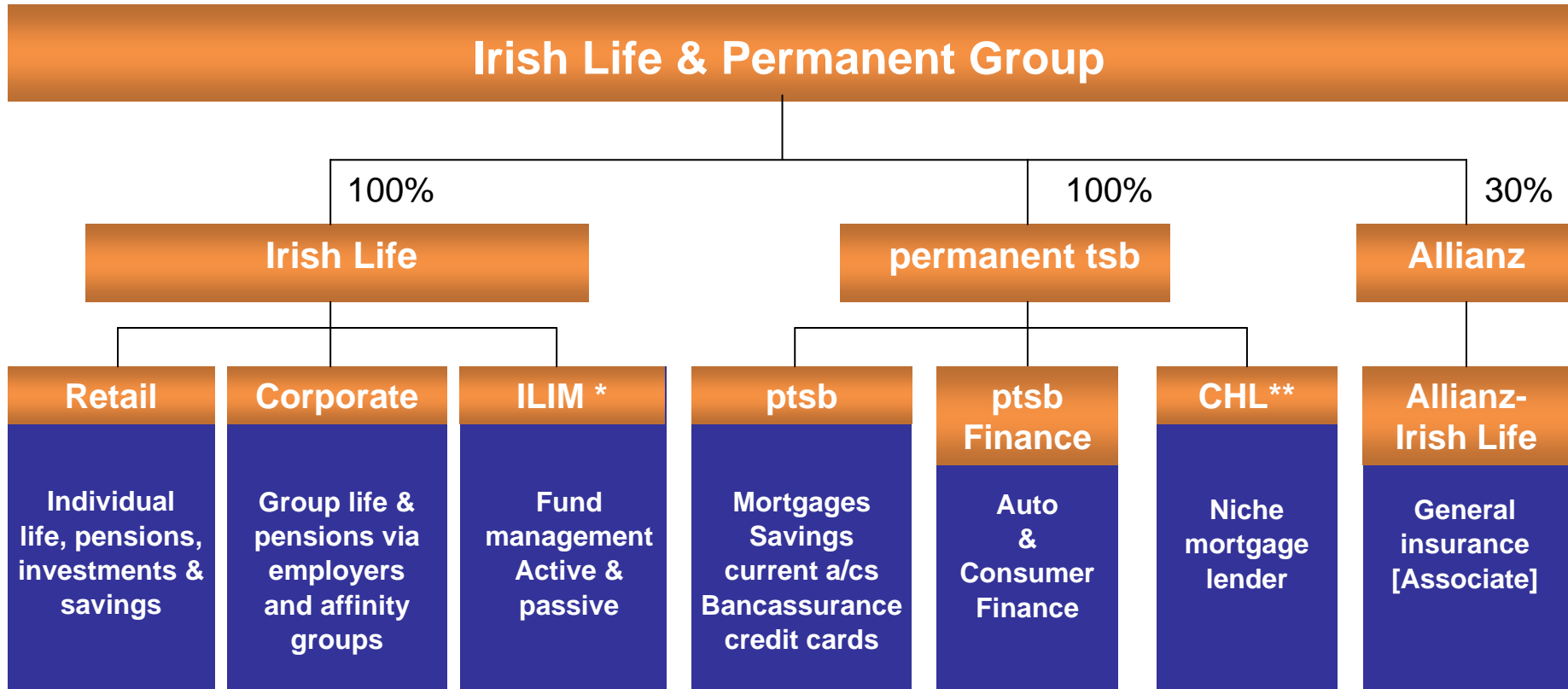
Group Profile

- Formed in 1999 from merger of Irish Life plc and Irish Permanent plc
- Irish Life, the largest life company, and Irish Permanent, the largest residential mortgage lender, in Ireland
- Acquired TSB Bank in 2001 and merged with Irish Permanent to create **permanent tsb**, the group's retail banking division
- Strategic focus on Irish personal financial services market
- Dual primary listings on Dublin and London Stock Exchanges

Group Strategy

- “Ireland first” strategy - focused on personal financial services in Ireland
- Targeting double digit earnings [organic] & dividend growth
- Opportunistic approach to acquisitions
- Distribution reach and product strength underpin business model
- Strong track record and low risk operating model
- Strongly capitalised [rated A+/A1] with significant financial flexibility

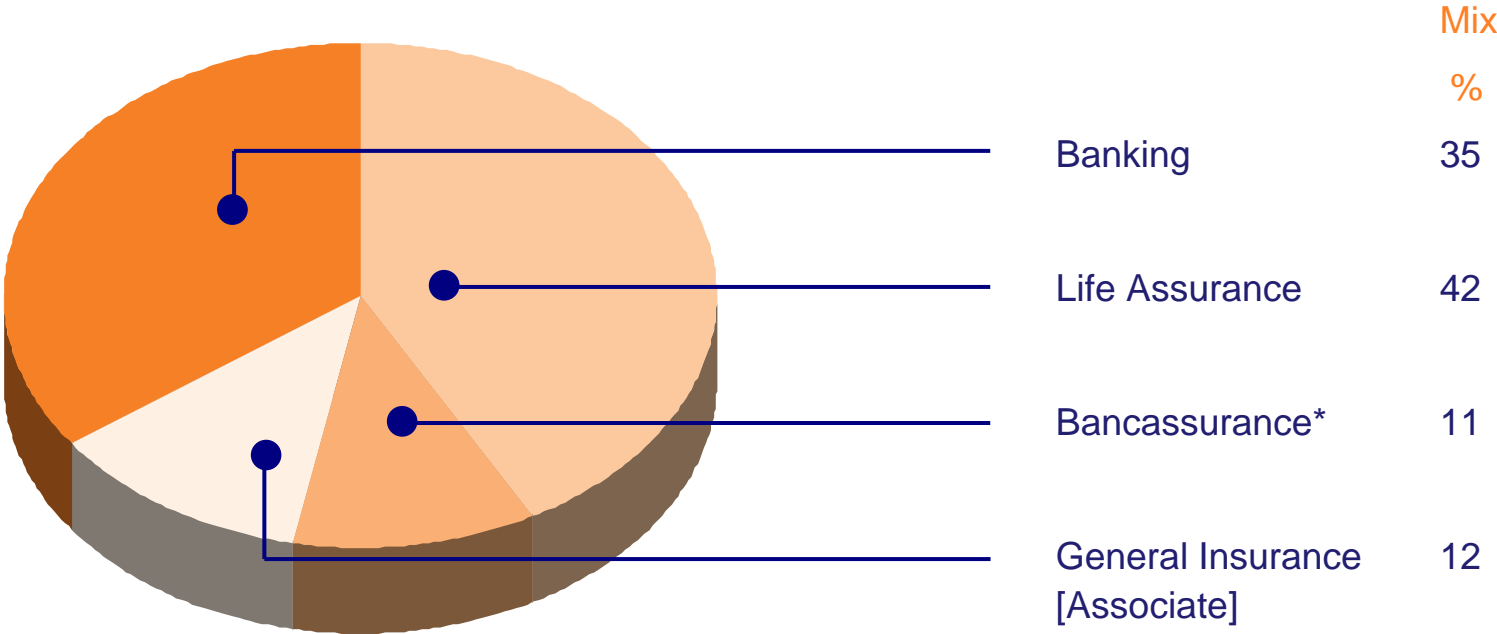
Group Structure



* Irish Life Investment Managers

** Capital Home Loans [UK]

Group Earnings Mix



Operating Profit 2005: €424m

* Bancassurance included in reported life earnings

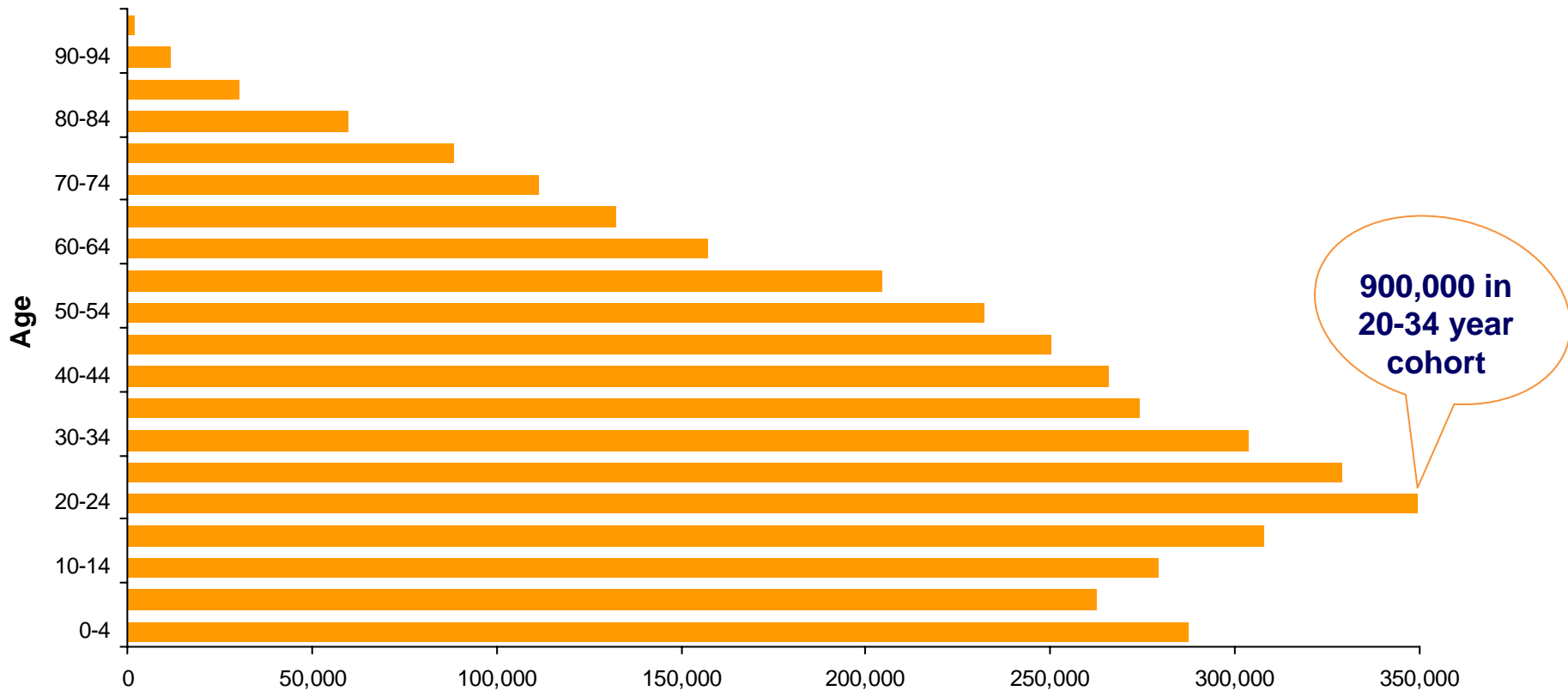
Irish Economic Forecasts

	2005	2006	2007
	▲%	▲%	▲%
GDP			
• Euro Area	1.4	2.6	1.9
• UK	1.9	2.7	2.7
• Ireland	5.5	5.9	5.0
Ireland			
• Employment Growth	4.7	4.7	3.5
• Consumer Spending Growth	6.6	6.8	7.4

“Economy has potential to grow at between 4% - 5% a year until 2010”

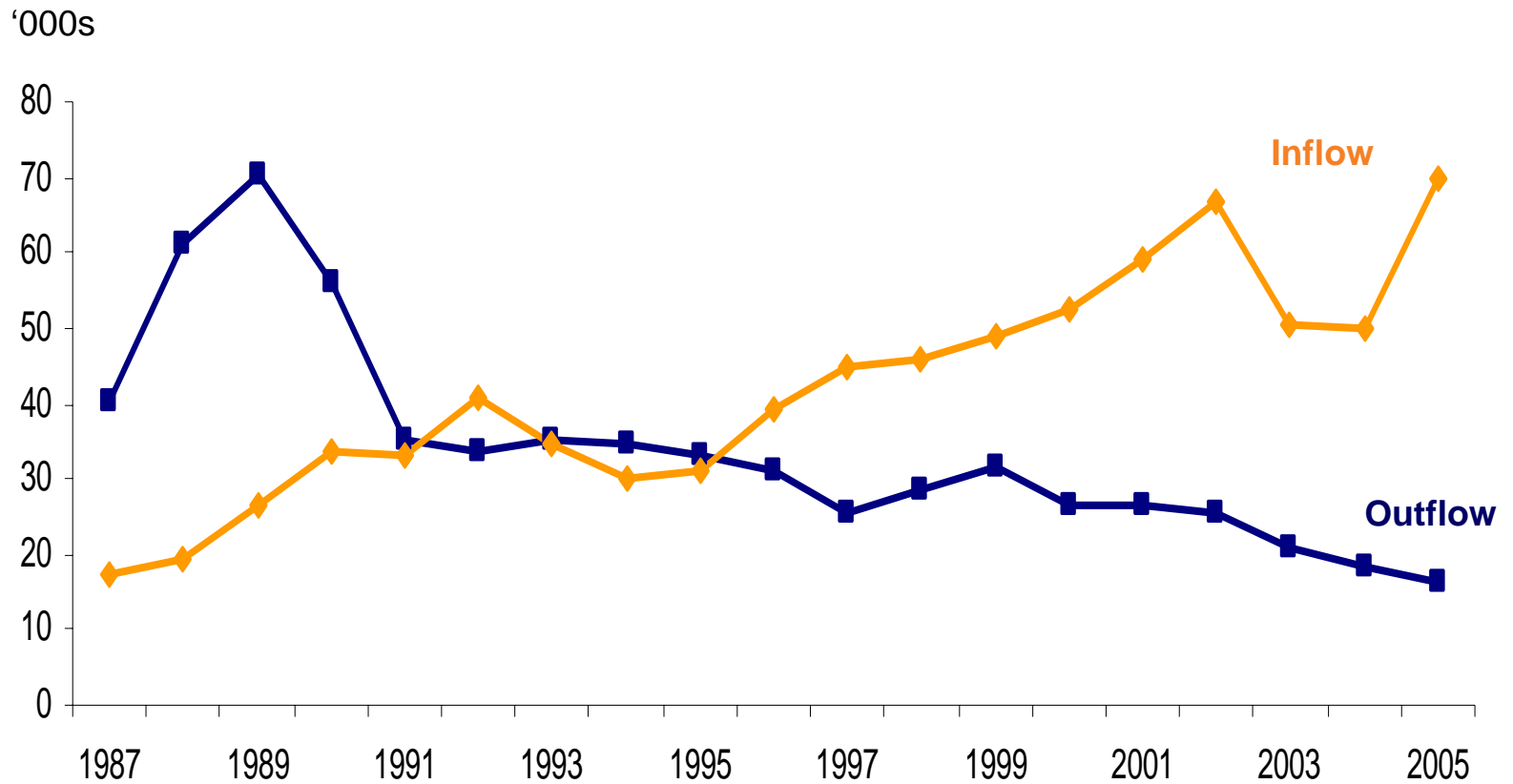
Source : Economic & Social Research Institute

Population Profile



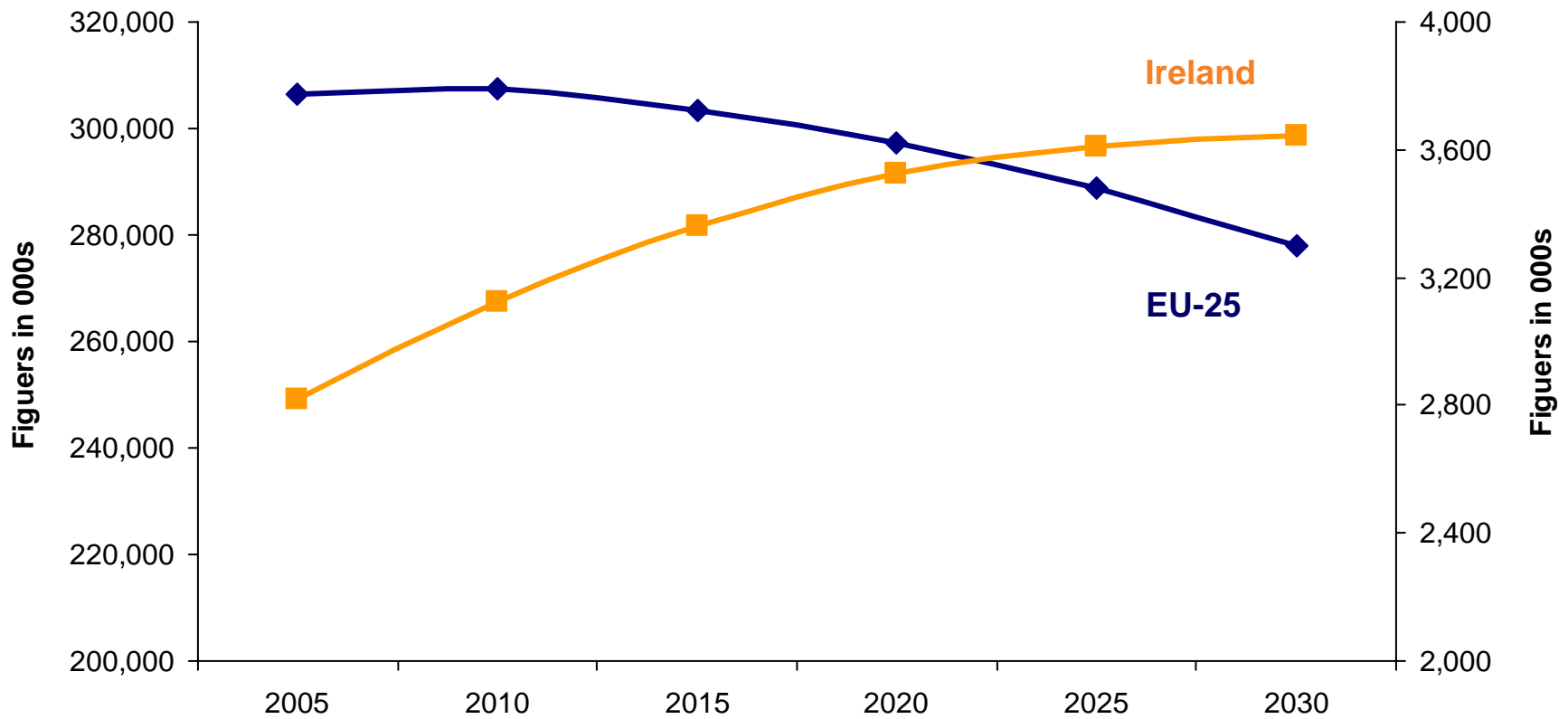
Source: ESRI

Migration



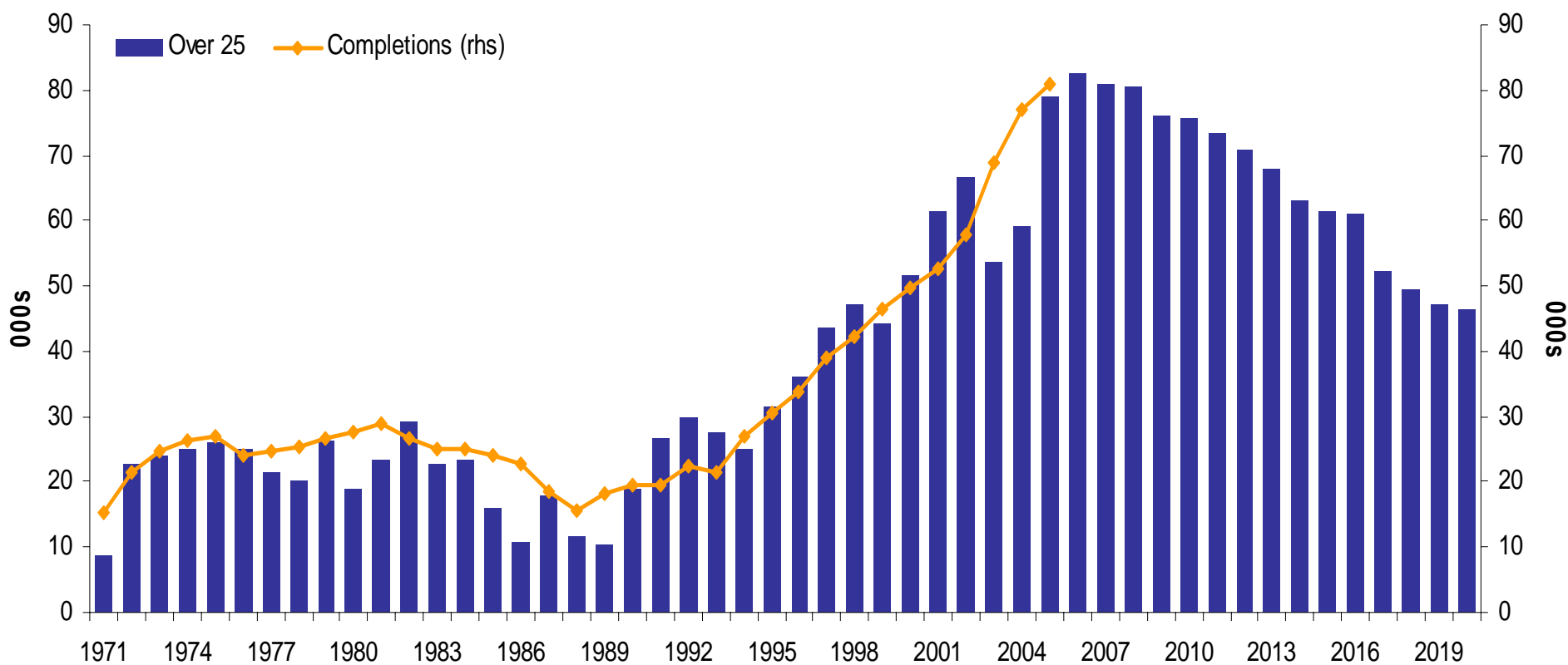
Source: NCB

Active Population - Ireland vs The EU



Source: NCB

Housing Demand & Supply



Source: NCB



Irish Life Retail

Market position

- Market leader together with BOI
- Market share of new business c.23%

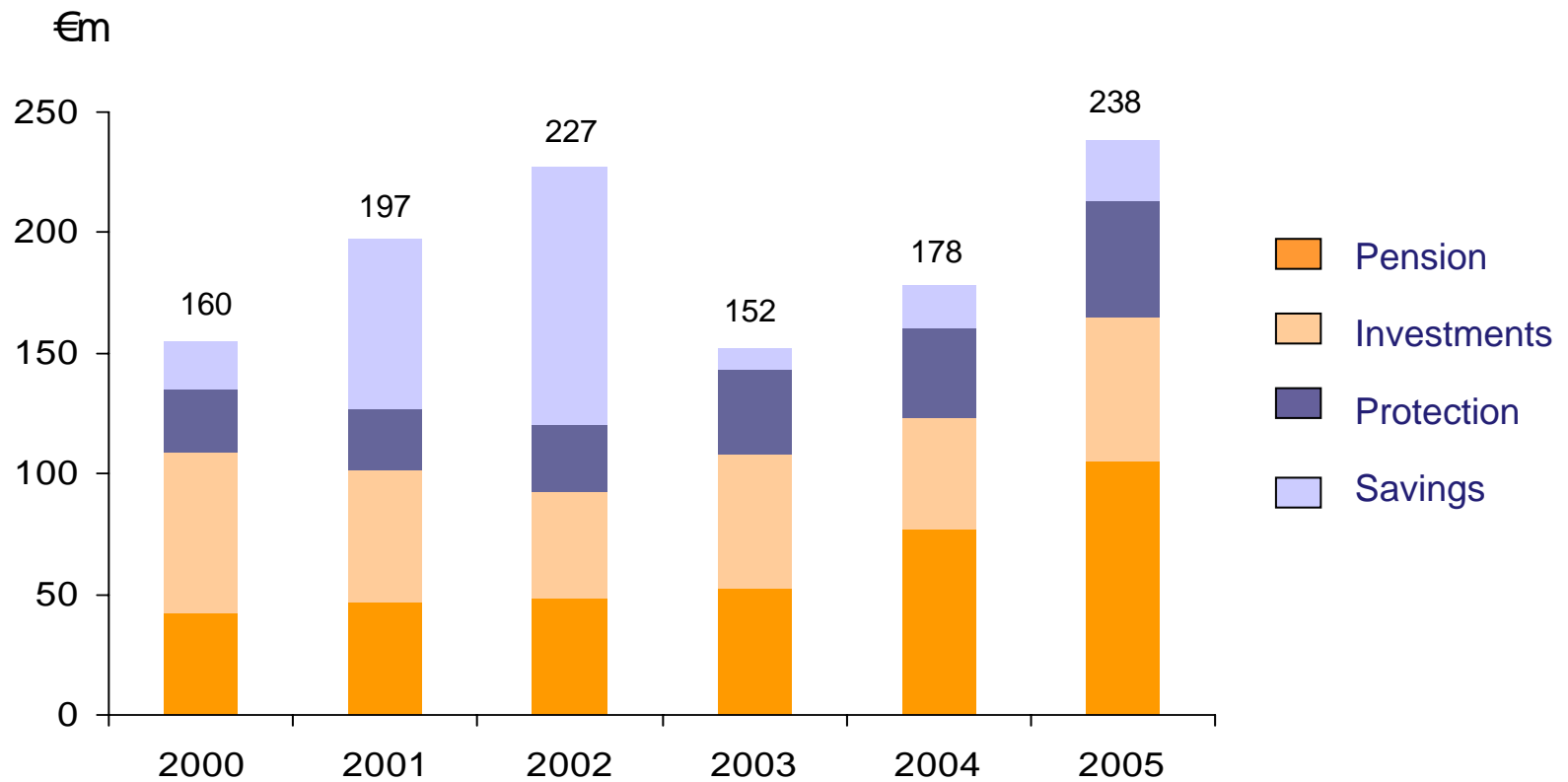
Business model

- Multi-channel distribution strategy
- Market leader in product innovation and performance
- New technology platform delivering efficiency and service gains

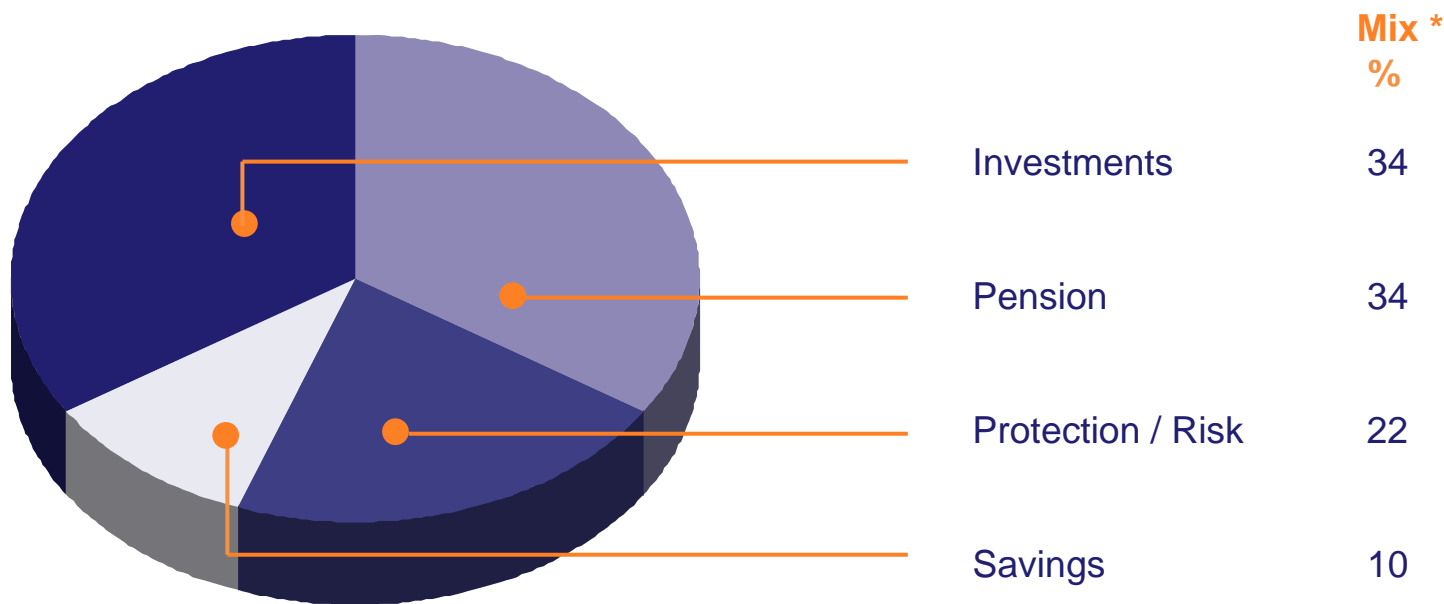
Brand

- Customer focused and leveraging ILIM investment competence

Retail Life Sales

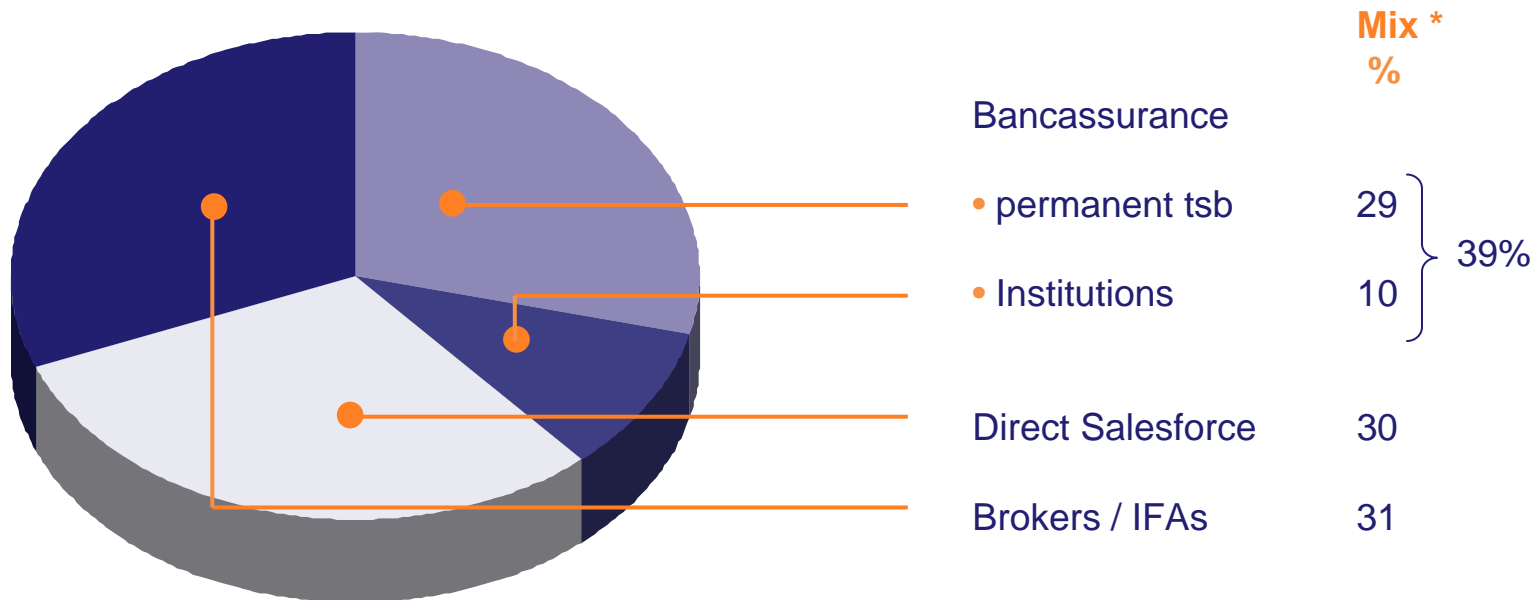


Retail Life Products



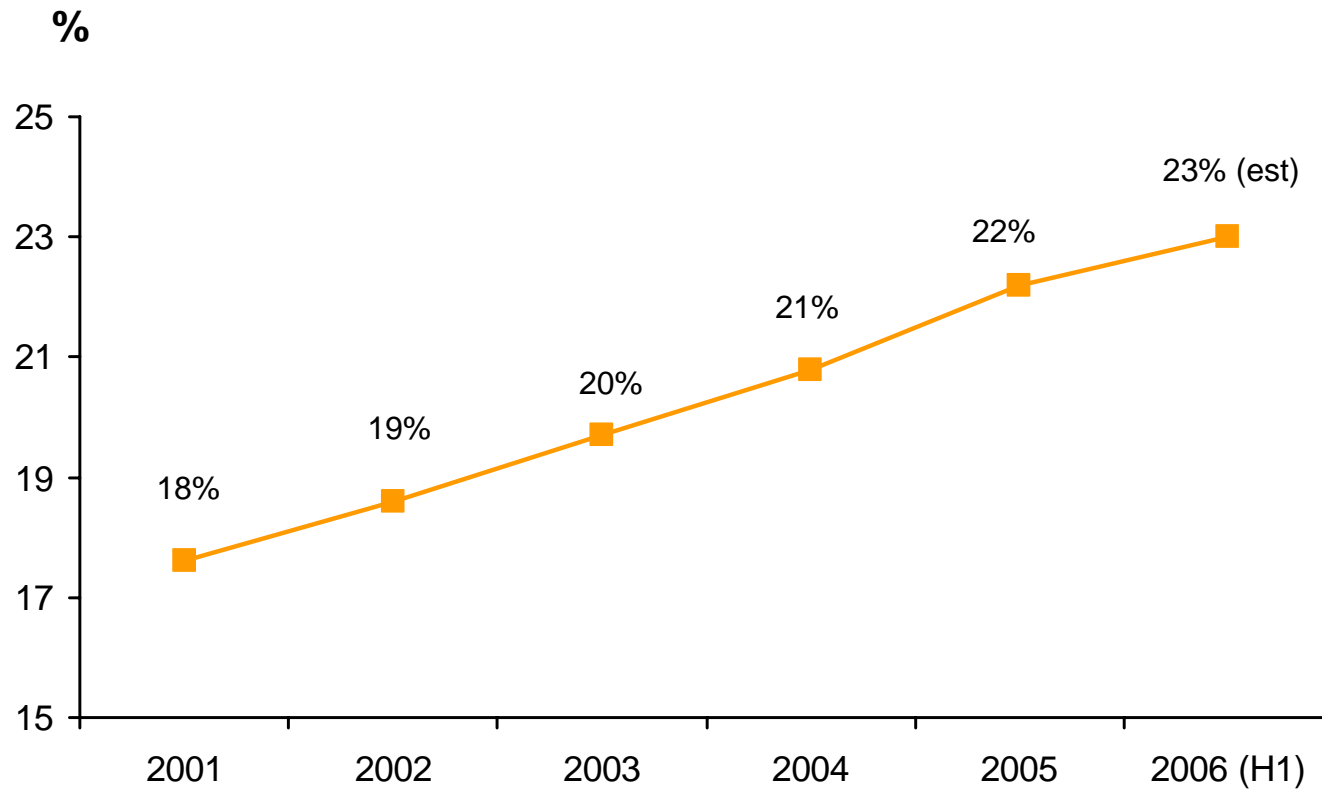
* H1 2006

Retail Life Distribution



* H1 2006

Retail Life Market Share





Irish Life Corporate

Market position

- Market leader with share of c. 40%
- Dominates DC pensions and group risk markets

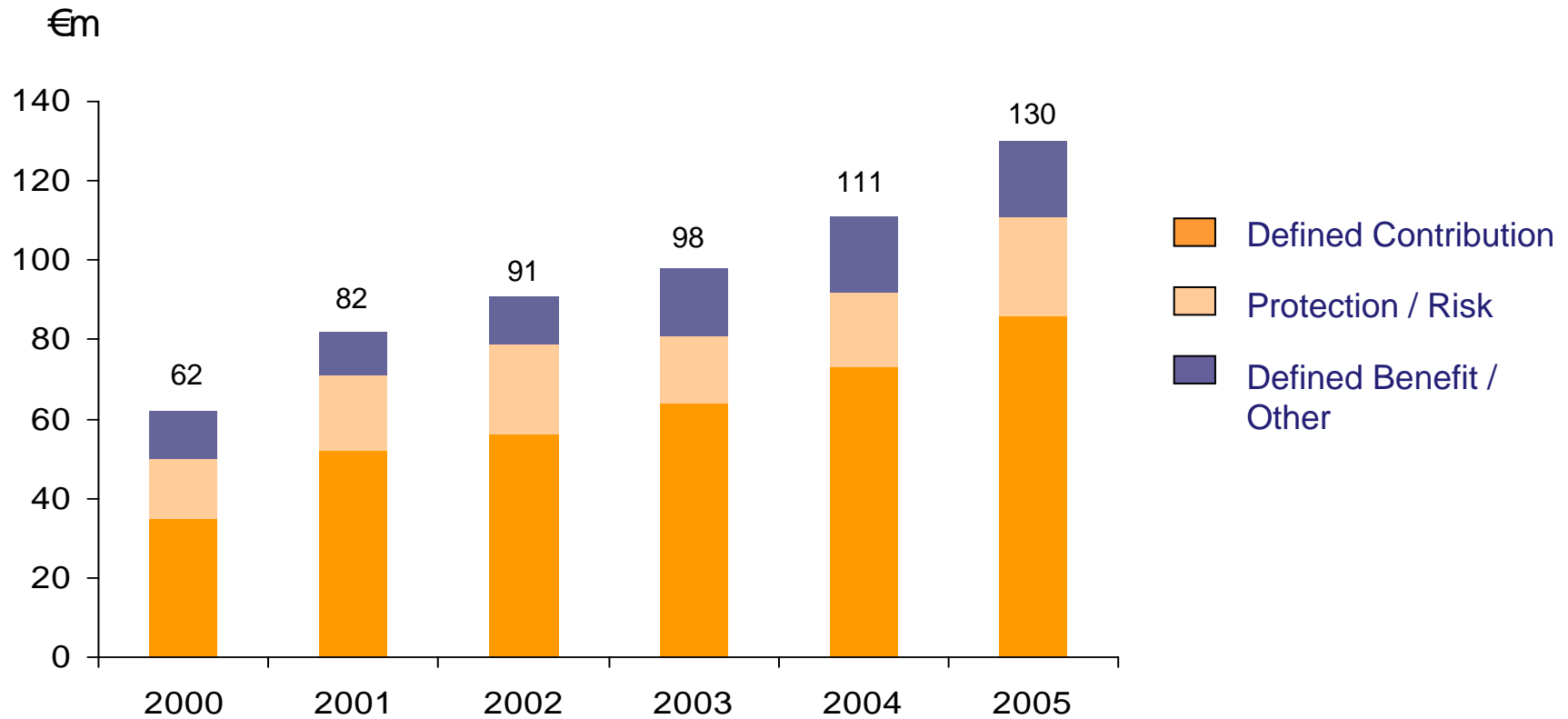
Business model

- Intermediated business - consultants and top end brokers
- Quality service delivery key competitive lever

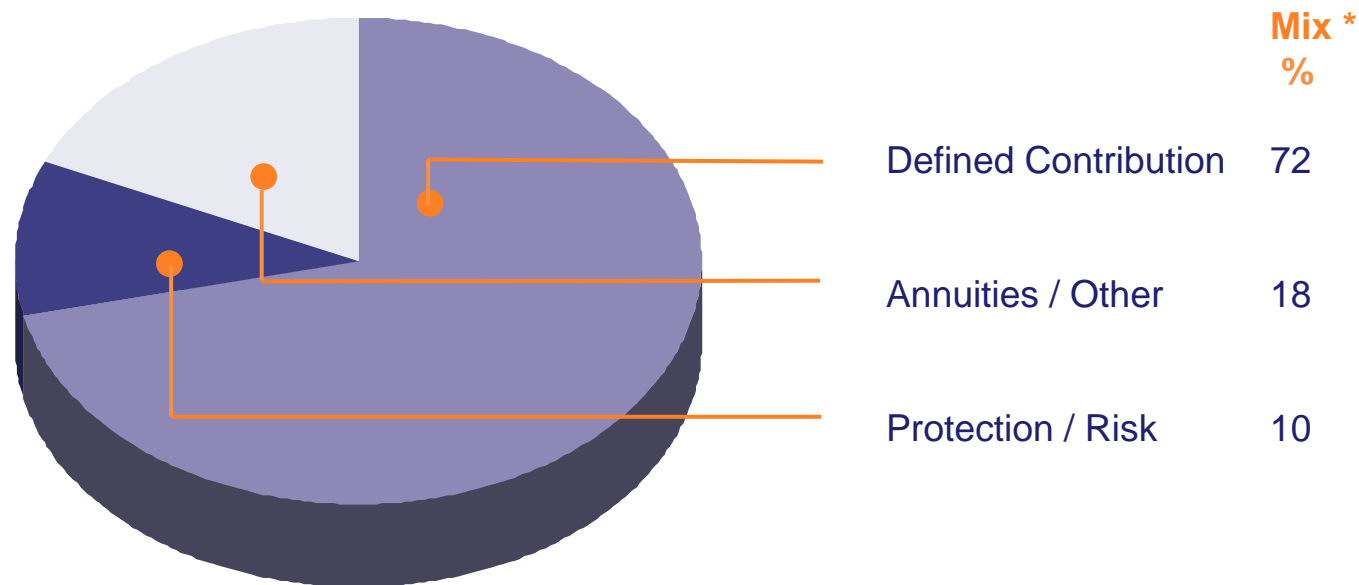
Broadening distribution

- Building on success with Cornmarket in public sector
- Developing direct end customer relationships

Corporate Life Sales

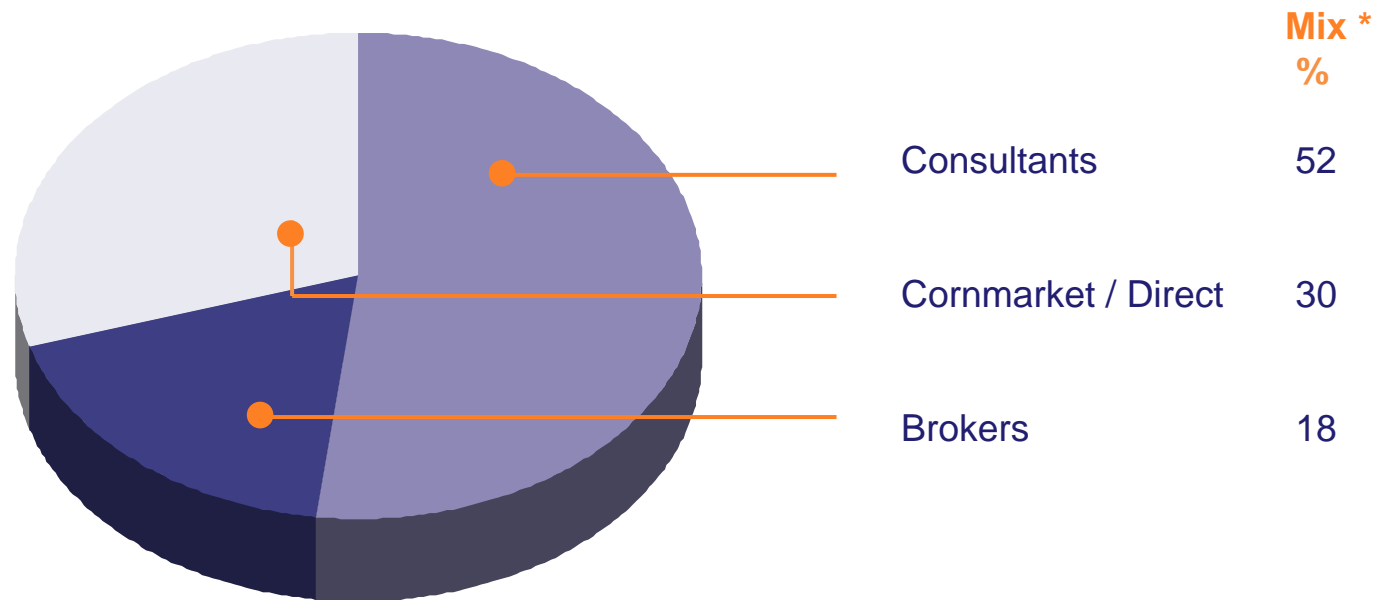


Corporate Life Products



* H1 2006

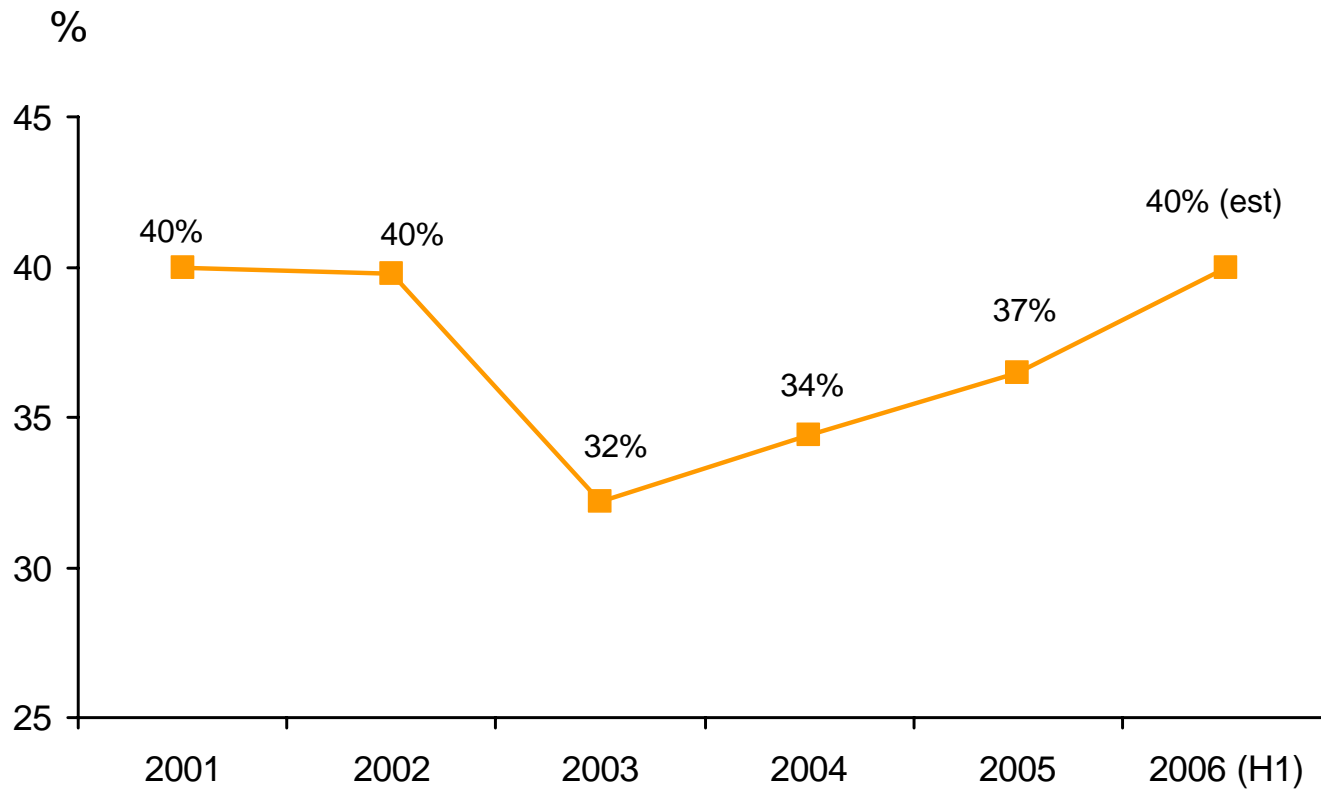
Corporate Life Distribution



* H1 2006



Corporate Life Market Share





Irish Life Investment Managers

Market position

- No.2 with over 20% market share
- FUM of €27bn split 55% active and 45% passive

Business model

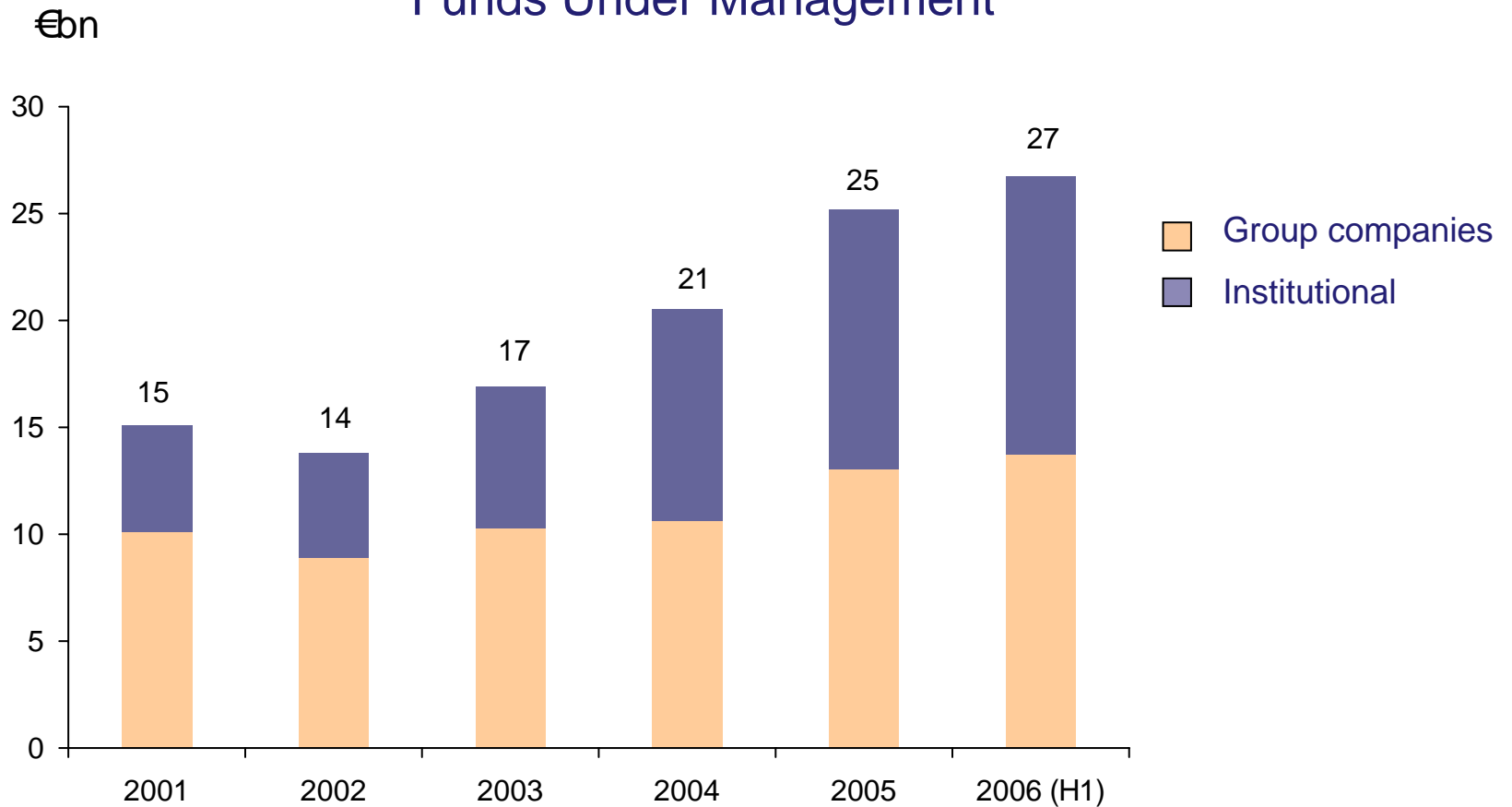
- Asset manager for life businesses (50%)
- Direct institutional business (50%)
- Offers own funds and open architecture for specialist products

Performance

- Top performing active pension fund manager over 3 and 5 years
- Flagship Consensus Pension Fund [passive] is no. 2 over 10 years

Investment Managers

Funds Under Management



permanent tsb

Market position

- Focused on personal customers : not in business banking
- Leader in residential mortgages with over 20% market share
- Rapidly acquiring new customers via aggressive current account strategy

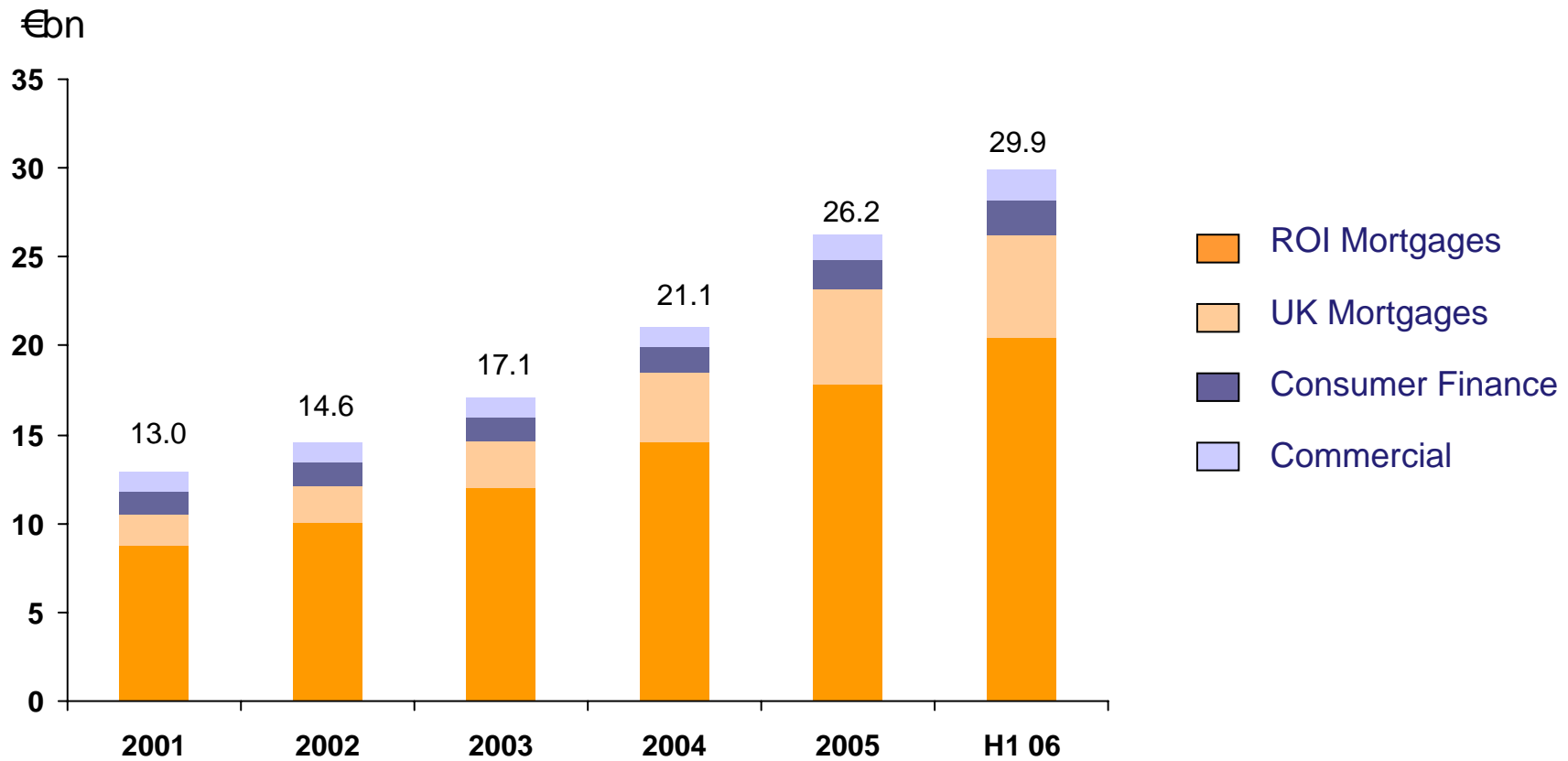
Business model

- Multi-channel distribution
- Fully integrated bancassurance operation

Brand

- Competitive, innovative and customer friendly

Bank Loan Book

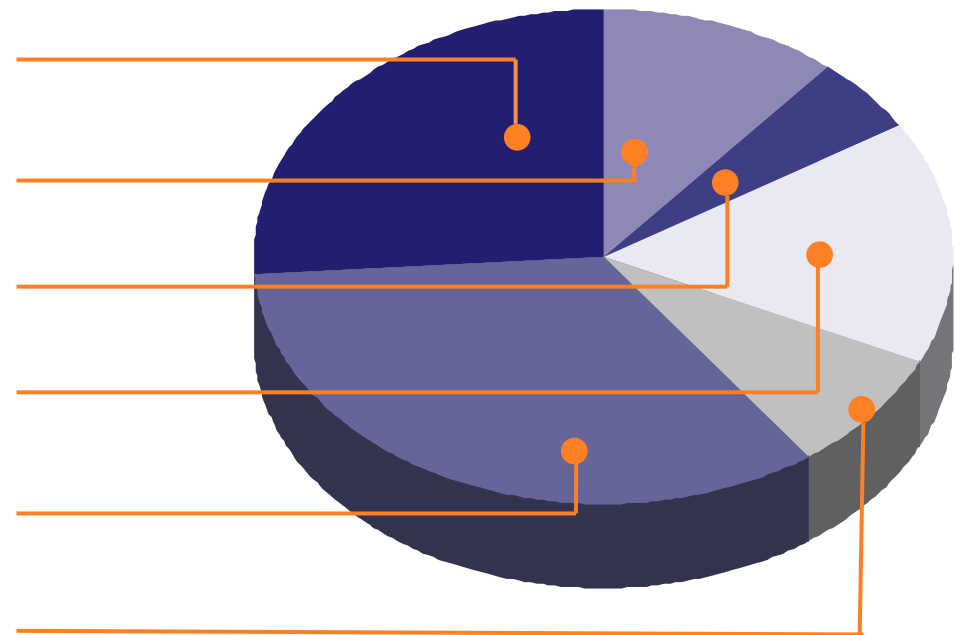


Bank Funding

H1 06

€bn

Long-term Debt	9.7
Securitisation	4.2
Extendible Notes	1.8
Commercial Paper	6.1
Customer Accounts	12.8
Interbank	2.6
Total	37.2



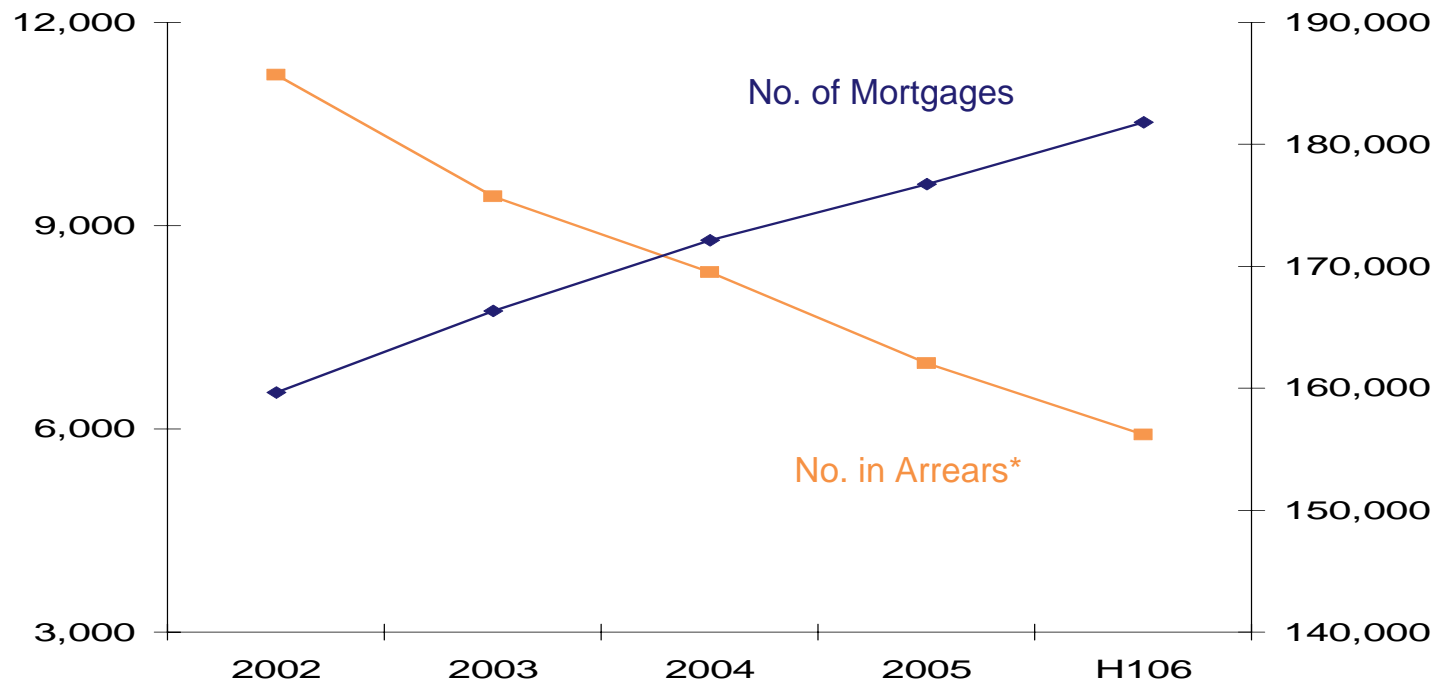
New Lending LTVs

	H1 06	2005	2004
New Mortgage Lending	%	%	%
<hr/>			
Home Loans			
First Time Buyers	87	84	81
Second Time Buyers	59	61	60
Average	72	69	68
RIPs Average	67	65	65
Equity Release Average	51	51	49
Total New Lending*	66	64	63

* Weighted average

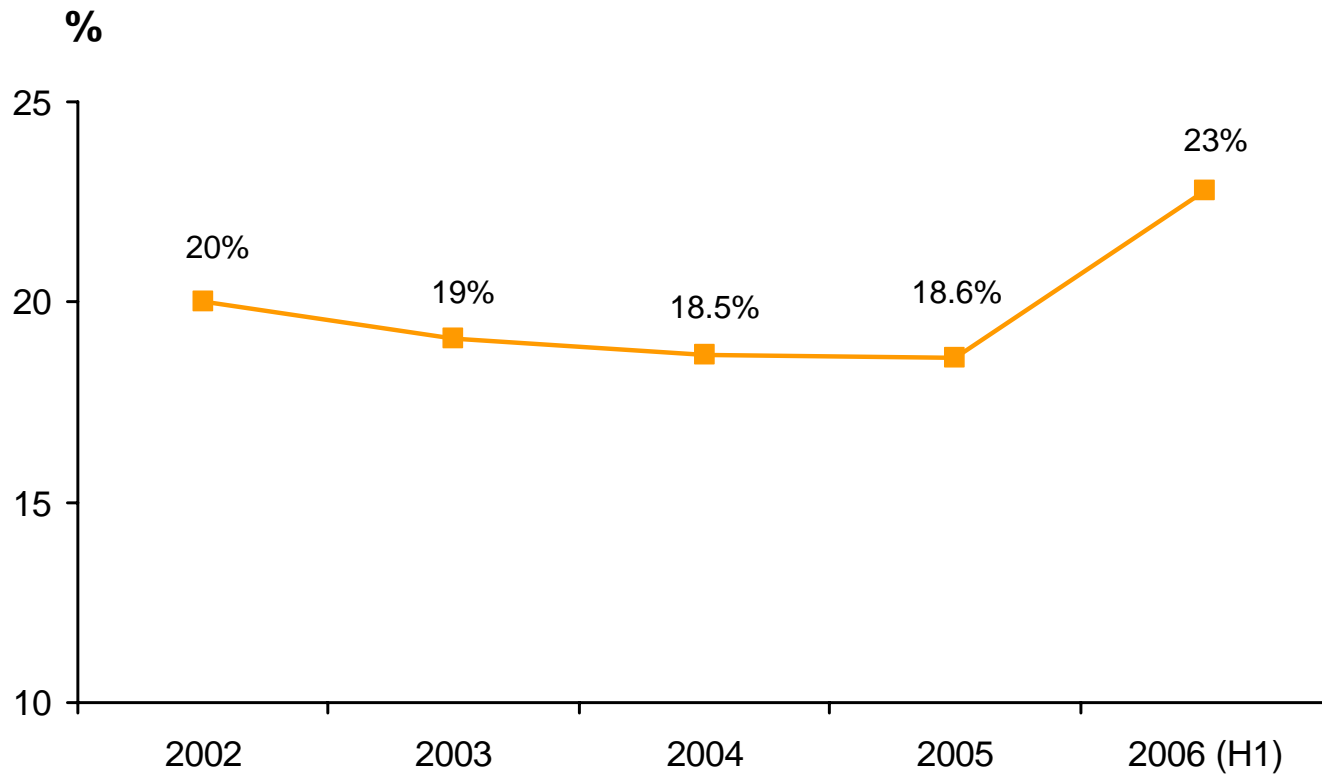
Lending Arrears

Residential Mortgages (Ireland)



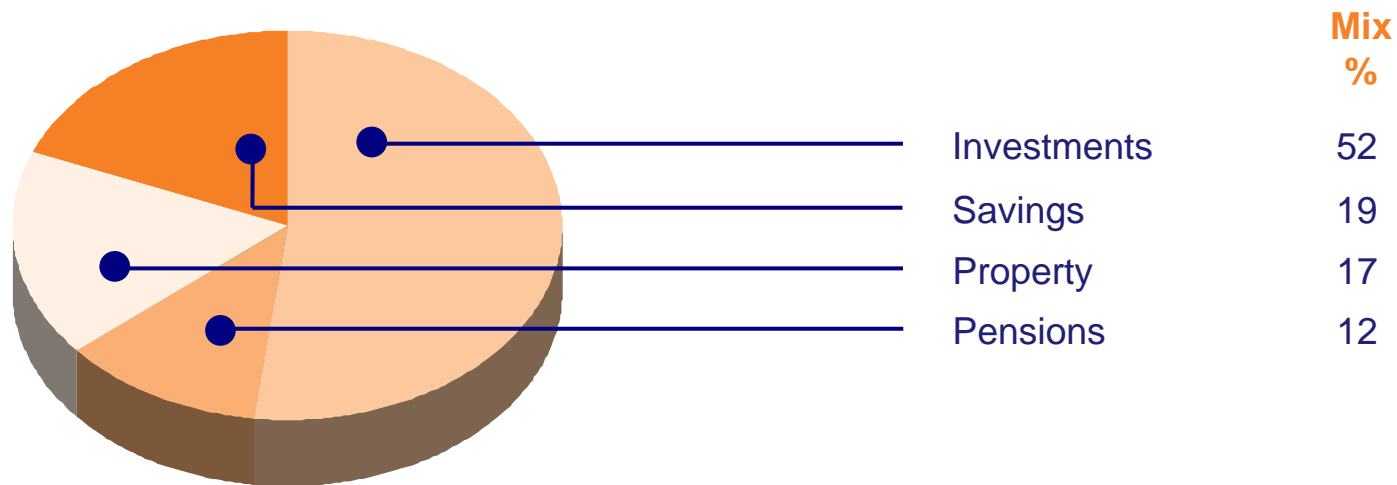
* > 1 month

Mortgage Market Share

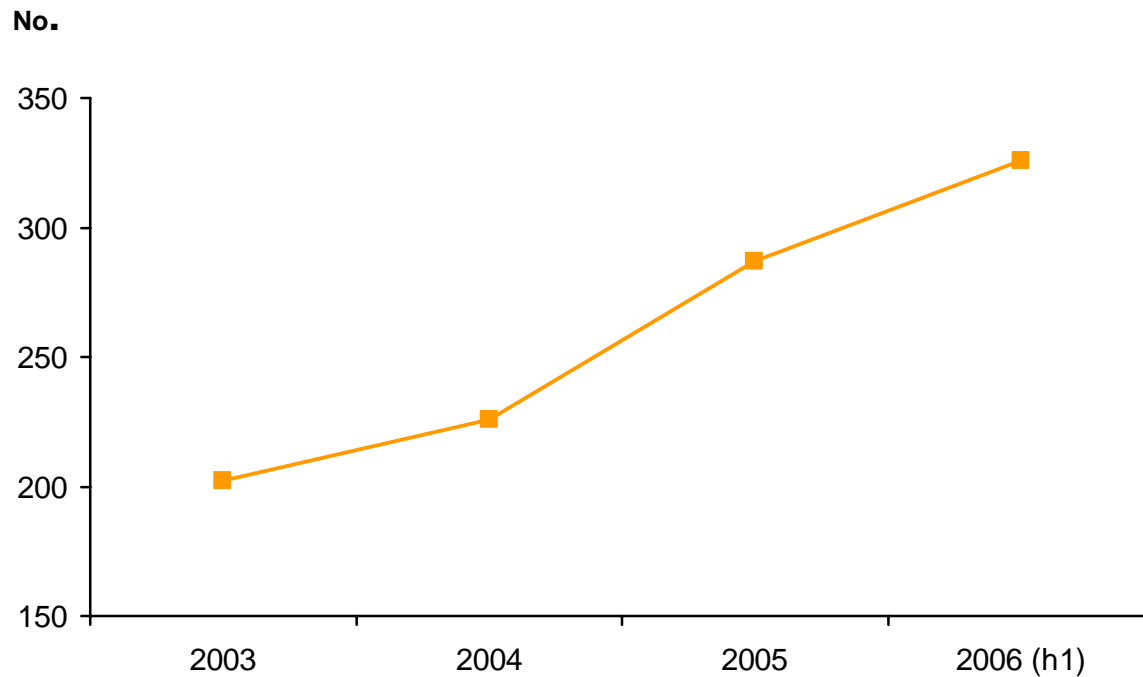


Bancassurance

- Highly productive and rapidly growing
- Accounts for almost 30% of Retail Life sales
- Successfully exporting model to other institutions



Current Accounts



- Fee free strategy to acquire new customers
- 44,000 new accounts opened in H1 2006
- Bank of choice for account switchers

Capital Home Loans

Market position

- Only group business outside Ireland
- Niche player in UK buy-to-let market, loan book of Stg£4.1bn.

Business model

- Distributes exclusively through intermediaries
- Competes on service quality and not price or credit
- Loans securitised 12-18 months after origination

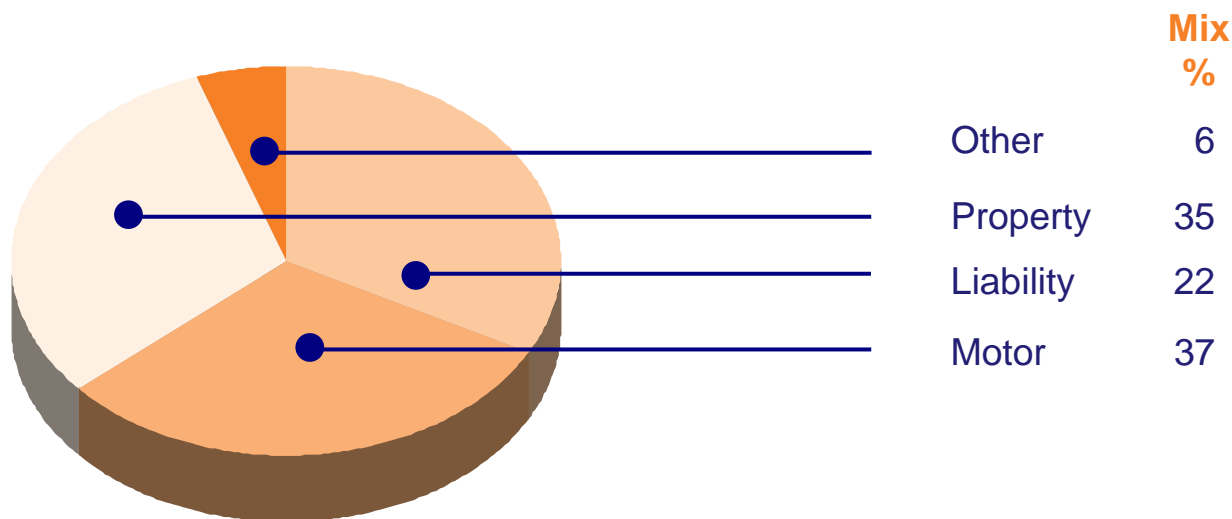
Performance

- Very profitable business with excellent credit quality

Allianz-Irish Life



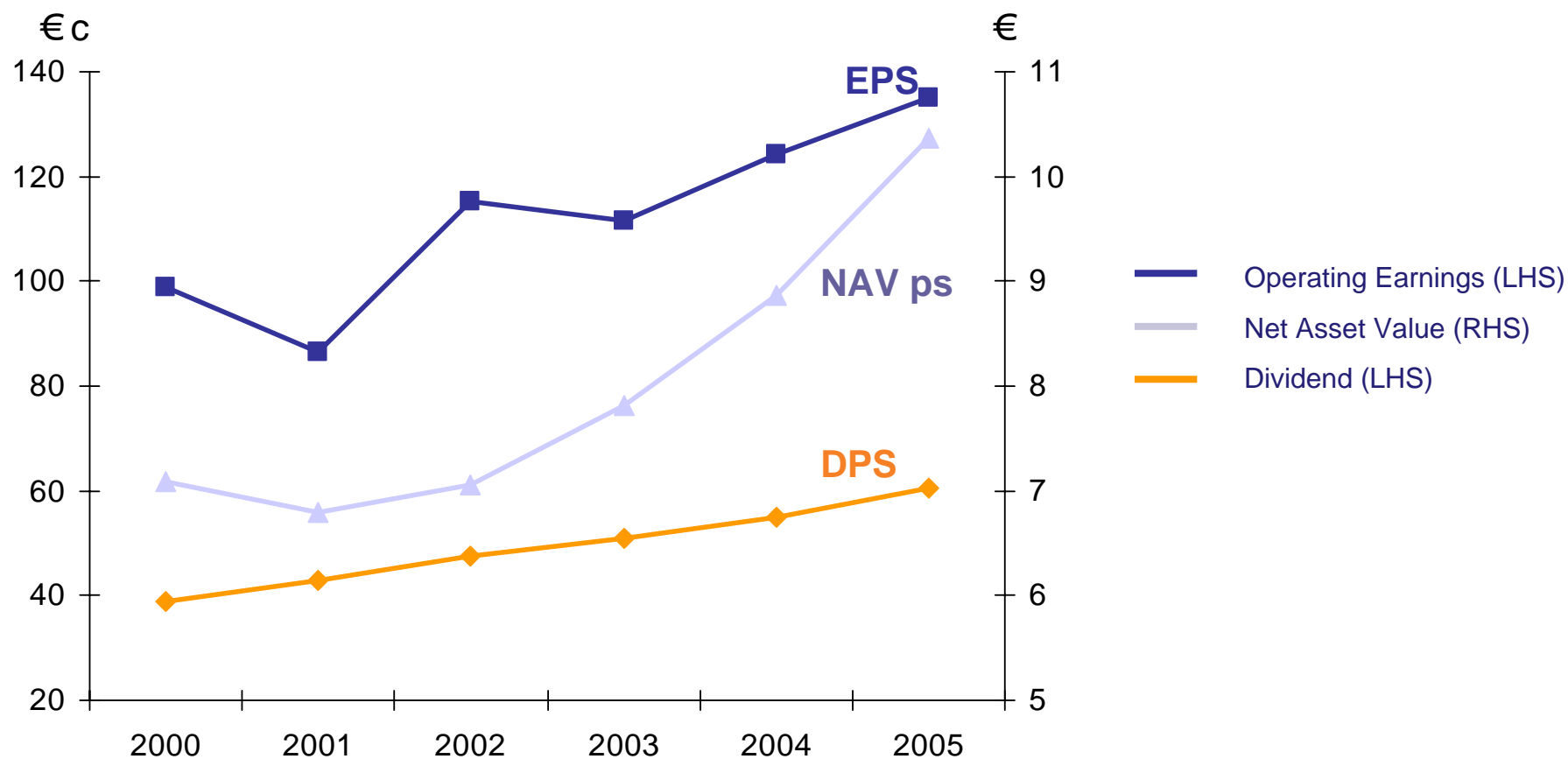
- IL&P [30%] joint venture with Allianz [65%]
- 2nd / 3rd largest P&C insurer in Ireland
- Business lines: Personal 53%, Commercial 33%, Religious 14%



Financial Strength

- Bank risk asset ratio of 11.2%, all Tier 1 [Jun 2006]
- No hybrid or preference capital
- Significant Tier 2 capacity to fund growth
- Life solvency capital requirement covered 1.7 times
- Life capital all Tier 1, no debt
- Ratings : A1 (Moody's) and A+ (S&P)
- Flexible capital position to fund rapid growth

Financial Performance



* IFRS basis (from 2004) for banking & Embedded Value basis for life business

Summary

- Strong Irish economy with highly attractive demographics
- Total focus on retail financial services in Ireland
- Leading market positions and franchises to maximise opportunities
- Low risk business model
- Targeting double digit growth over cycle