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26 April 2010

DEBT FOR EQUITY EXCHANGE OFFERS

THE GOVERNOR AND COMPANY OF THE BANK OF IRELAND ANNOUNCES EXCHANGE OFFERS IN RESPECT OF CERTAIN OF ITS OUTSTANDING DOLLAR TIER 1 AND UPPER TIER 2 SECURITIES.

The Governor and Company of the Bank of Ireland (the "**Bank**") today announces that it has made an invitation to certain holders ("**Eligible Holders**") (which include, subject to certain conditions, U.S. holders that are "qualified institutional buyers" as defined in Rule 144A under the Securities Act of 1933, as amended (the "**Securities Act**")) of the securities listed in the table below (the "**Existing Securities**") to offer to exchange their Existing Securities for Option 1 Consideration or Option 2 Consideration (as further described below)(the "**Exchange Offers**").

Issuer	Description	Outstanding amount	Consideration per \$1,000 Nominal Amount of BOI Debt Securities Tendered			
			If tendered prior to or on the Early Tender Date*		If tendered after the Early Tender Date*	
			Option 1 Consideration Amount** (including early tender premium)	Option 2 Consideration Amount (including early tender premium)	Option 1 Consideration Amount**	Option 2 Consideration Amount
Bank of Ireland UK Holdings plc	Undated Floating Rate Primary Capital Notes (ISIN: IE0000750319)	\$150,000,000	\$580	\$620	\$520	\$520
BOI Capital Funding (No.2) LP	Fixed Rate/Floating Rate Guaranteed Non-voting Non-cumulative Perpetual Preferred Securities (ISIN: US055967AA11)	\$400,000,000	\$720	\$770	\$690	\$690
BOI Capital Funding (No.3) LP	Fixed Rate/Floating Rate Guaranteed Non-voting Non-cumulative Perpetual Preferred Securities (ISIN: US05568AAA88)	\$200,000,000	\$720	\$770	\$690	\$690

* The Exchange Offer will expire at 6:00 a.m., New York City time, on June 8, 2010 (unless extended or terminated early). The Exchange Offer period will have two parts, the "Early Tender Period" and the "Late Tender Period." The Early Tender Period will begin on the date the Exchange Offer commences and will expire at 5:00 p.m., New York City time, on May 7, 2010 (the "Early Tender Date") (unless extended). The Late Tender Period will begin immediately thereafter and end at 6:00 a.m., New York City time, on the expiration date of the Exchange Offer.

* The Option 1 Consideration Amounts shown in the table above represent conversions of Euro Option 1 Consideration Amounts being offered by the Bank and are subject to downward adjustment if the dollar appreciates significantly against the euro and thereafter the Bank elects to adjust the Option 1 Consideration Amounts accordingly.

Rationale for the Exchange Offers

The Exchange Offers are part of a range of proposals to enhance the regulatory capital base of the Bank. The proposals include the Exchange Offers, a separate non-U.S. exchange offer, a concurrent rights issue launched today (the "**Rights Issue**") and placings of ordinary stock to institutional investors and the Irish National Pension Reserve Fund. The consummation of the Exchange Offers is subject to satisfaction of numerous conditions, including without limitation the consummation of the Rights Issue.

Existing Securities

The Existing Securities constitute Tier 1 or Upper Tier 2 capital of the Bank.

Exchange Offer

The Exchange Offers involve the exchange by Eligible Holders of any or all of their Existing Securities, subject to certain terms and conditions, for “Option 1 Consideration” or “Option 2 Consideration.”

Option 1 Consideration consists of a right on the part of an Eligible Holder that elects to do so to receive (i) the issuance of a specified number of shares of a wholly-owned special purpose subsidiary of the Bank and (ii) the purchase of these shares from such Eligible Holder in exchange for a specified amount of cash proceeds from the sale of ordinary stock of the Bank in the Rights Issue.

Option 2 Consideration consists of a right on the part of an Eligible Holder that elects to do so to receive a specified nominal amount of euro-denominated Allotment Instruments issued by the Bank, which will automatically convert into units of ordinary stock of the Bank on the conversion date (which is approximately 90 days after the settlement date of the Exchange Offers).

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OFFER RESTRICTIONS

United States

This announcement is not an offer of securities for sale in the United States. None of the securities referred to above, including the ordinary shares and the Allotment Instruments and the securities offered in the Rights Issue, have been, and none of the foregoing will be, registered under the Securities Act or the securities laws of any state or jurisdiction of the United States, and none of the foregoing may be offered, sold or delivered, directly or indirectly, in the United States absent an applicable exemption from the registration requirements of the Securities Act. The Bank does not intend to file register any part of the Rights Issue or Exchange Offers in the United States.

Ireland

The Exchange Offers are not being made, directly or indirectly, to the general public in Ireland and no offers or sales of any securities under or in connection with such Exchange Offers may be effected except in conformity with the provisions of Irish law including the Irish Companies Acts 1963 to 2009, the Prospectus (Directive 2003/71/EC) Regulations 2005 of Ireland, the European Communities (Markets in Financial Instruments) Regulations 2007 (Nos. 1 to 3) of Ireland and the Market Abuse (Directive 2003/6/EC) Regulations 2005 of Ireland.

Republic of Italy

The Exchange Offers are not being made, directly or indirectly, in the Republic of Italy. The Exchange Offers, this announcement has not been submitted to the clearance procedure of the *Commissione Nazionale per le Società e la Borsa* ("**CONSOB**") pursuant to Italian laws and regulations. Accordingly, Holders are hereby notified that, to the extent such Holders are persons resident and/or located in the Republic of Italy, no Exchange Offer is available to them and they may not offer to exchange Existing Securities pursuant to any Exchange Offer nor may the Allotment Instruments, the BOINH Ordinary Shares or the Conversion Ordinary Stock be offered, sold or delivered in the Republic of Italy and, as such, any Exchange Instruction received from such persons shall be ineffective and void, and neither this announcement nor any other offering material relating to the Exchange Offers, the Existing Securities, the Allotment Instruments, the ordinary shares or any other securities listed may be distributed or made available in the Republic of Italy.

United Kingdom

The communication of the Exchange Offer Memorandum is not being made and the Exchange Offer Memorandum has not been approved by an authorised person for the purposes of section 21 of the Financial Services and Markets Act 2000. The Exchange Offer Memorandum is only for circulation to persons within the United Kingdom falling within the definition of Investment Professionals (as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Order**")) or within Article 43 of the Order, or other persons to whom it may lawfully be communicated in accordance with the Order.

Belgium

In Belgium, the Exchange Offers are not being made, directly or indirectly, to, or for the account of, any person other than "qualified investors" within the meaning of Article 6, paragraph 3 of the Law of 1 April 2007 on public acquisition offers (*Loi relative aux offres publiques d'acquisition / Wet op de openbare overnamebiedingen*) and, therefore, the Exchange Offers do not constitute a public offer pursuant to Article 6, paragraph 3, 2° of the Law of 1 April 2007 and Article 3, paragraph 2, a) of the Law of 16 June 2006 on the public offering of securities and the admission of securities to trading on a regulated market (*Loi relative aux offres publiques d'instruments de placement et aux admissions d'instruments de placement à la négociation sur des marchés réglementés / Wet op de openbare aanbieding van beleggingsinstrumenten en de toelating van beleggingsinstrumenten tot de verhandeling op een gereglemeerde markt*). Neither the Exchange Offers nor this announcement nor the Exchange Offer Memorandum has been notified to the Belgian Banking, Finance and Insurance Commission (*Commission bancaire, financière et des assurances / Commissie voor het Bank-, Financien Assurantiewezen*) nor has this announcement or the Exchange Offer Memorandum or any other information circular, brochure or similar document relating to the Exchange Offers been, nor will it be, approved by the Belgian Banking, Finance and Insurance Commission. Accordingly, the Exchange Offers may not be advertised and both this announcement and the Exchange Offer Memorandum and any other information circular, brochure or similar document relating to the Exchange Offers may be distributed, directly or indirectly, in Belgium only to "qualified investors" within the meaning of Article 6, paragraph 3 of the Law of 1 April 2007, acting for their own account.

France

The Exchange Offers are not being made, directly or indirectly, to the public in France and only qualified investors ("*Investisseurs Qualifiés*") as defined in and in accordance with Articles L.411-1, L.411-2 and D.411-1 and D.411-3 of the French *Code Monétaire et Financier* are eligible to participate in the Exchange Offers described herein. This announcement and the Exchange Offer Memorandum and any other offering material relating to the Exchange Offers have not been and shall not be distributed to the public in France. Neither this announcement nor the Exchange Offer Memorandum has been submitted to the clearance of the *Autorité des marchés financiers*.

General

No offer or invitation to acquire or exchange any securities is being made pursuant to this announcement. Neither this announcement nor the Exchange Offer Memorandum constitute an invitation to participate in the Exchange Offers in any jurisdiction in which, or to or from any person to or from whom, it is unlawful to make such invitation under applicable securities laws and offers of Existing Securities for exchange pursuant to the Exchange Offers will not be accepted from Holders in any jurisdiction where such invitation is unlawful.