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9 September 2010

Bank of Ireland Group

CONVERSION ANNOUNCEMENT

THE GOVERNOR AND COMPANY OF THE BANK OF IRELAND ANNOUNCES THE FINAL TERMS OF CONVERSION OF ALLOTMENT INSTRUMENTS ISSUED PURSUANT TO ITS NON-U.S. EXCHANGE OFFERS IN RESPECT OF CERTAIN OF ITS OUTSTANDING EURO AND STERLING TIER 1 SECURITIES.

On 26 April 2010, The Governor and Company of the Bank of Ireland (the "**Bank**") announced an invitation to all holders ("**Holders**") (subject to certain offer restrictions) of the Tier 1 securities listed below (the "**Existing Securities**") to Offer to Exchange their Existing Securities for Option 1 Consideration or Option 2 Consideration (the "**Non-U.S. Exchange Offers**").

Bank of Ireland UK Holdings plc

€476,000,000 7.40 per cent. Guaranteed Step-up Callable Perpetual Preferred Securities
(ISIN: XS0125611482)

BOI Capital Funding (No.1) LP

€350,316,000 Fixed Rate/Variable Rate Guaranteed Non-voting Non-Cumulative Perpetual
Preferred Securities (ISIN: XS0213178295)

Bank of Ireland UK Holdings plc

£46,432,000 6.25 per cent. Guaranteed Callable Perpetual Preferred Securities (ISIN:
XS0165122655)

BOI Capital Funding (No.4) LP

£37,290,000 Fixed Rate/Floating Rate Guaranteed Non-voting Non-cumulative Perpetual
Preferred Securities (ISIN: XS0268599999)

The Non-U.S. Exchange Offers were made on the terms of an Exchange Offer Memorandum dated 26 April 2010. Capitalised terms used and not otherwise defined in this announcement have the meanings given to them in the Exchange Offer Memorandum.

This is the Conversion Announcement referred to in the Exchange Offer Memorandum.

Conversion of Allotment Instruments

Pursuant to the Non-U.S. Exchange Offers, the Bank issued approximately €29.4m aggregate principal amount of Allotment Instruments on 14 June 2010. In accordance with the terms of the

Allotment Instruments set out in the Exchange Offer Memorandum, the Allotment Instruments will automatically convert into Conversion Ordinary Stock of the Bank on 10 September 2010.

Conversion Price

The Exchange Offer Memorandum provides that the price at which the Allotment Instruments will convert into Conversion Ordinary Stock will be the Minimum Conversion Price (announced by the Bank on 20 May 2010 as €0.851103) or, if greater, the price calculated by the Lead Dealer Managers, in consultation with the Bank, as the arithmetic average of the daily Volume-Weighted Average Price per unit of Ordinary Stock for each of the five consecutive trading days during the Conversion Price VWAP Period.

The results of the Conversion Price VWAP Period are as follows:

<u>Trading Day</u>	<u>VWAP per unit of Ordinary Stock</u>
2 September	€0.745
3 September	€0.7473
6 September	€0.762
7 September	€0.73
8 September	€0.6843

The arithmetic average of the daily Volume-Weighted Average Price per unit of Ordinary Stock is €0.73372. This being less than the Minimum Conversion Price, the Conversion Price will be the Minimum Conversion Price (€0.851103).

A total of 34,584,744 units of Conversion Ordinary Stock will be issued upon conversion of Allotment Instruments issued in the Non-U.S. Exchange Offers.

Applications will be made for the Conversion Ordinary Stock to be admitted to the Official Lists of the Irish Stock Exchange and the UK Listing Authority and admitted to trading on the main market of the Irish Stock Exchange. An application will also be made to the London Stock Exchange for the Conversion Ordinary Stock to be admitted to trading on its main market for listed securities. It is expected that the Conversion Ordinary Stock will commence trading on the Irish Stock Exchange and the London Stock Exchange at 8.00 a.m. on 13 September 2010.

Separate U.S. Exchange Offer

The Bank also issued Allotment Instruments pursuant to its separate exchange offer, announced on 26 April 2010, to holders of certain series of outstanding capital securities in certain countries outside the United States and to certain sophisticated holders in the United States who are "qualified institutional buyers" as defined in Rule 144A of the Securities Act (the "**U.S. Exchange Offer**"). The Bank has today published a separate announcement relating to conversion of Allotment Instruments issued in the U.S. Exchange Offer.

For further information, please contact at the Bank:

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In addition, any questions or requests for assistance regarding the Non-U.S. Exchange Offers may be directed to the Lead Dealer Managers and questions regarding conversion of the Allotment Instruments may be directed to the Exchange Agent:

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DISCLAIMER

This announcement must be read in conjunction with the Exchange Offer Memorandum. This announcement shall not constitute an offer to sell or the solicitation of an offer to buy securities either in the United States or any other jurisdiction, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.