

The Governor and Company of the Bank of Ireland (“Bank of Ireland” or the “Bank”)

Results of Rights Issue Rump Placement

27 July 2011

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Bank of Ireland announces the results of the Rights Issue Rump Placement

Rights Issue Rump Placement

The Governor and Company of the Bank of Ireland (“Bank of Ireland” or the “Bank”) announced earlier today that, as at 11.00 a.m. on 26 July 2011, being the latest date for receipt of valid subscriptions, it had received valid acceptances in respect of 11,361,686,433 units of New Ordinary Stock representing approximately 59.55 per cent. of the total number of units of New Ordinary Stock offered to Qualifying Stockholders pursuant to the Rights Issue announced by the Bank on 18 June 2011.

Bank of Ireland now announces that in accordance with the arrangements set out in Part IX of the Prospectus dated 18 June 2011, the Joint Bookrunners have today procured subscribers for 1,432,343,038 units of New Ordinary Stock for which valid acceptances were not received in the Rights Issue (the “Rump”), at a price of 10.10 cent per unit of New Ordinary Stock, a premium of 0.10 cent to the Rights Issue Price of 10 cent per unit of New Ordinary Stock.

The net proceeds from the sale of the Rump of approximately 0.08 cent per unit of New Ordinary Stock sold (after deduction of the Rights Issue Price of 10 cent per unit of New Ordinary Stock and associated costs, including any brokerage and commissions and taxes) will be paid (without interest and rounded down to the nearest cent) to Qualifying Stockholders who have not taken up their entitlements pro rata to their lapsed provisional allotments. This will amount to a payment of approximately 0.01 cent in respect of each unit of New Ordinary Stock not taken up in the Rights Issue.

Therefore, as places have not been procured for all of the units of New Ordinary Stock not taken up pursuant to the Rights Issue, in accordance with the arrangements set out in Part IX of the Prospectus, the NPRFC, under the Transaction Agreement, will be subscribing for the remaining 6,283,859,561 units of New Ordinary Stock at the issue price of 10 cent per unit of New Ordinary Stock. These remaining units of New Ordinary Stock are additional to the 6,876,725,140 units of New

Ordinary Stock that the NPRFC has subscribed for as part of its pro-rata entitlement pursuant to the Rights Issue.

Resultant State Shareholding

As announced on 25 July 2011, the State has agreed to sell c.4.2 billion units of Ordinary Stock to a group of significant institutional investors and fund managers. In addition, these investors have agreed with the State that, to the extent that the State acquires ordinary stock pursuant to the Transaction Agreement and subject to certain conditions being satisfied, these investors will purchase up to a further c.7.0 billion units of ordinary stock from the State, at a price of 10 cent per unit.

On the basis that the NPRFC is subscribing for 6,283,859,561 units of New Ordinary Stock pursuant to the Transaction Agreement and subject to the satisfaction of regulatory and other certain conditions, the State will sell a total of 10,510,960,981 units of ordinary stock to these investors. Following these transactions, the State's stockholding in the Bank will be 15.1 per cent.* of the Bank's fully diluted ordinary stock while the combined stockholding of these investors in aggregate will be 34.9 per cent. As the resultant combined stockholdings of these investors will, subject to regulatory approvals, exceed 29.9 per cent. of the Bank's fully diluted ordinary stock, the acquisition of any ordinary stock in excess of this threshold will require the prior approval of independent stockholders. The Bank expects to convene an Extraordinary General Court for this purpose in due course.

As set out in the announcement of 25 July 2011, the Bank agreed, subject to stockholder approval, to place additional stock up to a maximum of approximately 6 per cent. of the Bank's then fully diluted ordinary stock, with these investors and the State, at 10 cent per unit where their stockholdings following these transactions are less than 25 per cent. and 15 per cent. respectively. Based on the results of the Rights Issue and the Rump Placing, the State's and these investors' aggregate stockholdings on a fully diluted basis will exceed these thresholds and hence the Bank will not be proceeding with any placing.

Unless otherwise defined, capitalised terms used in this announcement have the same meaning as in the Prospectus.

Copies of this announcement are available, free of charge and in printed form, at Bank of Ireland's registered office at 40 Mespil Road, Dublin 4, Ireland.

* The actual stockholding of the State will exceed 15 per cent. until (i) the issuance of the New Ordinary Stock pursuant to the Debt for Equity Offers on 12 August 2011 and (ii) the completion of the sale of ordinary stock to these investors on receipt of the relevant regulatory clearances and independent stockholder approval

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The securities that may be offered in the Debt for Equity Offers or the Rights Issue have not been and will not be registered under the US Securities Act of 1933, as amended (the "US Securities Act") or the securities laws of any State or other jurisdictions of the United States, or any other Excluded Territory and may not be offered or sold in the United States or any other Excluded Territory or to US Persons (as defined in Regulation S under the US Securities Act) absent registration or an applicable exemption from registration requirements of the US Securities Act and in compliance with any applicable securities laws of any State or other jurisdiction of the United States or any other Excluded Territory. There will be no public offer in the United States or in any Excluded Territory.

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This announcement contains or incorporates by reference certain "forward looking statements" regarding the belief or current expectations of the Group, the Directors and other members of its senior management about the Bank's financial condition, results of operations and business and the transactions described in the Prospectus. Generally, but not always, words such as "may", "could", "should", "will", "expect", "intend", "estimate", "anticipate", "assume", "believe", "plan", "seek", "continue", "target", "goal", "would" or their negative variations or similar expressions identify forward looking statements. Such forward looking statements are not guarantees of future performance. Rather, they are based on current views and assumptions and involve known and

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None of the Minister for Finance, the Department of Finance, the Irish Government, the National Pensions Reserve Fund Commission, the National Treasury Management Agency, IBI Corporate Finance ("IBI"), the Joint Bookrunners, or any person controlled by or controlling any such person, or any entity or agency of or related to the Irish State, or any director, officer, official, employee or adviser (including without limitation legal and financial advisors) of any such person (each such person, a "Relevant Person") accepts any responsibility for the contents of, or makes any representation or warranty as to the accuracy, completeness or fairness of any information in, this announcement or any document referred to in this announcement or any supplement or amendment thereto (each a "Transaction Document"). Each Relevant Person expressly disclaims any liability whatsoever for any loss howsoever arising from, or in reliance upon, the whole or any part of the contents of any Transaction Document. No Relevant Person has authorised or will authorise the contents of any Transaction Document, or has recommended or endorsed the merits of the offering of securities or any other course of action contemplated by any Transaction Document.

Each of IBI and the Joint Bookrunners are acting exclusively for the Bank in connection with the Proposals and no one else and will not regard any other person as a client in relation to the Proposals and will not be responsible to anyone other than the Bank for providing the protections afforded to their clients or for providing advice in relation to the Proposals or any matters referred to in this announcement. Apart from the responsibilities and liabilities, if any, which may be imposed on each of IBI and the Joint Bookrunners by the Financial Services and Markets Act 2000, the European Communities (Market in Financial Instruments) Regulations (Nos 1 to 3) 2007 of Ireland or the Investment Intermediaries Act 1995 of Ireland, IBI and the Joint Bookrunners accept no responsibility whatsoever for the contents of any of the Transaction Documents.