

On 21 May 2008, Bank of Ireland announced a final dividend for the year to 31 March 2008 of 39.4c per unit of ordinary stock and subsequently a Stock Alternative Offer priced at €8.10 per unit.

Since then, continuing market volatility has resulted in a significant decline in the value of many financial stocks, including Bank of Ireland, which makes the Stock Alternative unattractive relative to current market prices.

As it is not possible under the Bank's Bye-Laws to reset the price, the directors have decided, in the interests of stockholders, to withdraw the Stock Alternative Offer and to pay the final dividend of 39.4c per unit of ordinary stock wholly in cash.

In the case of future dividends, it remains the directors' intention to offer a Stock Alternative.

Those stockholders wishing to increase their holdings, by re-investing their dividends, may do so by purchasing directly in the market through the low cost dealing service offered by the Bank's Registrar, Computershare.

Ends

26 June 2008

Contact:

Geraldine Deighan
Head of Group Investor Relations, Bank of Ireland
+353 1 604 3501

Dan Loughrey
Head of Group Corporate Communications, Bank of Ireland
+353 1 604 3833