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27 JULY 2011

Significant Investment in Bank of Ireland

Following the announcement by the State on 25 July 2011 of an investment of up to €1.123bn by a group of significant institutional investors and fund managers, Bank of Ireland is now able to confirm that the investors are led by Fairfax Financial Holdings and include WL Ross, Capital Research (part of The Capital Group), Fidelity Investments and Kennedy Wilson. The Bank has been advised that each of these investors will manage their individual stockholdings independently.

Following initial contacts with Kennedy Wilson and then with Fairfax Financial Holdings, the Bank made presentations to and facilitated detailed due diligence by each of these investors in relation to the Bank's business and investment strategy and progress made in restructuring and repositioning itself, including the Bank's pivotal role in helping revitalise the Irish economy.

Following the completion today of the Rights Issue Rump Placement the combined shareholding of these investors will be 34.9 per cent, subject to the satisfaction of certain regulatory and other conditions.

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