

**The Governor and Company of the Bank of Ireland (The Bank of Ireland)**

**Bank of Ireland Response to Statements by the Minister for Finance and the Central Bank of Ireland**

**9 February 2011**

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Bank of Ireland ('the Bank') notes today's announcements by the Minister for Finance and the Central Bank of Ireland.

Bank of Ireland is actively engaged with the Central Bank of Ireland and its advisors in relation to the Prudential Liquidity Assessment Review ('PLAR') and the Prudential Capital Assessment Review ('PCAR') exercises, which are scheduled to complete by 31 March 2011.

The Bank continues to work actively, with its advisors, on initiatives to meet regulatory capital requirements through a combination of internal capital management initiatives, support from existing shareholders and other capital markets sources.

Significant progress has already been made in strengthening the Bank's capital position and the Bank announced, on 17 December 2010, that it had generated c. €700 million in equity accretion through a debt exchange offer. Since that date, the Bank has generated equity accretion of c. €40 million through the sale of Bank of Ireland Asset Management and is currently engaged in a Canadian Dollar liability management exercise, the results of which will be announced tomorrow.

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