

**\*\*\*BANK OF IRELAND TO EXCHANGE LOWER TIER 2 SECURITIES\*\*\***

Bank of Ireland today announces that it is to make an Exchange Offer for up to an aggregate of €1.5bn of its the outstanding Lower Tier 2 securities (four Euro securities, four Sterling securities and one US Dollar security) with a nominal value equivalent to circa €3.1 billion. Those accepting the Exchange Offer will receive new 13 month government guaranteed senior securities reflective of current market pricing expectations.

The Lower Tier 2 securities currently trade at significant discounts to their original issue prices. The transaction is expected to be equity accretive.

The Exchange Offer commences today, 8 December 2010. The Announcement of Exchange Offer Results is expected to occur at or around 4.00 p.m. (London time) on 17 December 2010.

Further details on the exchange offer, including the restrictions on participation in the exchange offer are set out in the Exchange Offer Memorandum.

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The offer is not being made in the United States. The offered securities have not been and will not be registered under the U.S. Securities Act of 1933 and securities may not be offered or sold in the United States absent registration under the Act or an applicable exemption from the registration requirements thereof.