

The Governor and Company of the Bank of Ireland (Bank of Ireland)
Non-payment of discretionary coupon by BOI Capital Funding (No.1) LP
17 February 2010

In the context of the direction by the EU Commission that, in line with its policy and pending its assessment of the Bank's restructuring plan, the Bank should not make coupon payments on its Tier 1 and Upper Tier 2 capital instruments unless under a binding legal obligation to do so, the Bank announced on 19 January 2010 the triggering of a "dividend stopper" by virtue of the non-payment of discretionary coupon under the terms of relevant securities. The relevant securities are BOI Capital Funding (No.2) LP US\$800m Fixed Rate/Variable Rate Guaranteed Non-voting Non-cumulative Perpetual Preferred Securities; and BOI Capital Funding (No.3) LP US\$400m Fixed Rate/Variable Rate Guaranteed Non-voting Non-cumulative Perpetual Preferred Securities, which both have the benefit of subordinated guarantees from the Bank.

As a consequence of the foregoing, the Bank announced today that under the terms of the BOI Capital Funding (No.1) LP €600m Fixed Rate/Variable Rate Guaranteed Non-voting Non-cumulative Perpetual Preferred Securities having the benefit of a subordinated guarantee from the Bank, that the non-cumulative distribution on these securities, which would otherwise have been payable on 3 March 2010 will not now be paid.

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