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9 September 2010

Bank of Ireland Group

CONVERSION ANNOUNCEMENT

THE GOVERNOR AND COMPANY OF THE BANK OF IRELAND ANNOUNCES THE FINAL TERMS OF CONVERSION OF ALLOTMENT INSTRUMENTS ISSUED PURSUANT TO ITS U.S. EXCHANGE OFFERS IN RESPECT OF CERTAIN OF ITS OUTSTANDING TIER 1 SECURITIES.

Conversion of Allotment Instruments

Pursuant to the Exchange Offers made in the U.S., The Governor and Company of the Bank of Ireland (the "**Bank**") issued approximately €31.8m in aggregate principal amount of Allotment Instruments on 14 June 2010. In accordance with their terms, the Allotment Instruments will automatically convert into Conversion Ordinary Stock of the Bank on 10 September 2010. Capitalised terms used and not otherwise defined in this announcement have the meanings given to them in the Exchange Offer Memorandum dated 26 April 2010.

The terms of the Allotment Instruments provide that they will convert into Conversion Ordinary Stock at the Minimum Conversion Price (announced by the Bank on 20 May 2010 as €0.851103) or, if greater, the arithmetic average of the daily Volume-Weighted Average Price per unit of Ordinary Stock for each of the five consecutive trading days during the Conversion Price VWAP Period (2-8 September 2010). As the arithmetic average was less than the Minimum Conversion Price, the Conversion Price will be €0.851103.

A total of 37,406,214 units of Conversion Ordinary Stock will be issued upon conversion of Allotment Instruments issued in the U.S. Exchange Offers.

Applications will be made for the Conversion Ordinary Stock to be admitted to the Official Lists of the Irish Stock Exchange and the UK Listing Authority and admitted to trading on the main market of the Irish Stock Exchange. An application will also be made to the London Stock Exchange for the Conversion Ordinary Stock to be admitted to trading on its main market for listed securities. It is expected that the Conversion Ordinary Stock will commence trading on the Irish Stock Exchange and the London Stock Exchange at 8.00 a.m. on 13 September 2010.

Separate Non U.S. Exchange Offer

The Bank also issued Allotment Instruments pursuant to its separate exchange offer, announced on 26 April 2010, to holders of certain series of outstanding capital securities in certain countries outside the United States (the "**Non-U.S. Exchange Offer**"). The Bank has today published a

separate announcement relating to conversion of Allotment Instruments issued in the Non-U.S. Exchange Offer.

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