

**THE GOVERNOR AND COMPANY OF THE BANK OF IRELAND (the "Bank")**

**Related Party Transaction Disclosure**

**20 April 2012**

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On 27 July 2011, the Bank announced the investment of up to €1.123 billion in Ordinary Stock in the Bank by a group of significant institutional investors and fund managers comprising Fairfax, WL Ross, CRMC, Fidelity Investments and Kennedy Wilson (collectively the "Investors"), by way of purchases by the Investors from the NPRFC of units of Ordinary Stock of the Bank at a price of €0.10 per unit pursuant to Stock Purchase Agreements (the "Investment"), which was considered a related party transaction.

As disclosed in the Shareholder Circular of 24 August 2011, the Bank agreed to pay each of the Investors a fee of 0.5 per cent. of the price paid by such Investor pursuant to the Stock Purchase Agreements. In addition, the Bank agreed to reimburse the vouched costs and expenses of the Investors in connection with the Investment which amounted to €2.7 million in aggregate.

The disclosure in the Shareholder Circular of 24 August 2011 should also have been included in note 56 to the annual report and accounts for the year ended 31 December 2011 but was inadvertently omitted in error.

End

For further information please contact:

**Bank of Ireland**

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