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**The Bank of Ireland Announces Certain Terms Relating to its Rights Issue**

17 May 2010



On April 26, 2010, The Governor and Company of the Bank of Ireland (the "Bank") commenced exchange offers (subject to certain offer restrictions) relating to the Tier 1 securities listed below. The Bank today herein announces certain terms relating to its rights issue (the "Rights Issue") in connection with the exchange offers relating to these securities.

<p style="text-align: center;"><b>The Governor and Company of the Bank of Ireland</b> Undated Floating Rate Primary Capital Notes (ISIN: IE0000750319) <b>BOI Capital Funding (No. 2) LP</b> \$800,000,000 Fixed Rate/Floating Rate Guaranteed Non-voting Non-cumulative Perpetual Preferred Securities (CUSIP/ISIN: US055967AA11/USG12255AA64) <b>BOI Capital Funding (No. 3) LP</b> \$400,000,000 Fixed Rate/Floating Rate Guaranteed Non-voting Non-cumulative Perpetual Preferred Securities (CUSIP/ISIN: US05568AAA88/USG12250AA77)</p>
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The terms of the Rights Issue are relevant in certain respects to the operation of the Option 1 Settlement mechanism in the exchange offers. Accordingly, the Bank announces that:

- The Rights Issue price is €0.55.
- The aggregate number of units of ordinary stock to be allotted in the Rights Issue (and, accordingly, the aggregate number of BOINH Ordinary Shares to be issued to holders of the debt securities above electing to receive Option 1 Consideration and subsequently purchased by the Bank) in connection with the Option 1 Settlement in respect of such debt securities tendered prior to or on May 7, 2010 is 522,212,611.

The terms of the exchange offer remain unchanged.

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*This announcement shall not constitute an offer to sell or the solicitation of an offer to buy securities either in the United States or any other jurisdiction, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful. None of securities referred to above will be registered under the Securities Act of 1933 (as amended, the "Securities Act"), or any state securities laws. The exchange offer is being made and the Option 1 Consideration, Option 2 Consideration and related securities are being offered and issued only (a) in a private placement in the United States to holders of BOI Debt Securities who are "qualified institutional buyers" (as defined in Rule 144A under the Securities Act) and (b) outside the United States in certain jurisdictions to holders of BOI Debt Securities in reliance upon Regulation S under the Securities Act.*