

**THE GOVERNOR AND COMPANY OF THE BANK OF IRELAND**

**Proposed securities repurchase transaction with Irish Bank Resolution Corporation**

**29 MARCH 2012**

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Bank of Ireland (the “Bank”), Irish Bank Resolution Corporation Limited (“IBRC”) and the State, have reached a conditional agreement to conduct a securities repurchase transaction (“Repo”) whereby the Bank will purchase long term Irish Government Bonds (the “Bonds”) from IBRC for a purchase price of approximately €3.06bn in cash. The Repo will be governed by a Global Master Repurchase Agreement which will incorporate standard market terms including daily cash margining with respect to changes in the value of the Bonds.

All IBRC’s payment obligations to the Bank with respect to the Repo including the cash margining are covered by a guarantee from the Minister for Finance of IBRC’s exposures for transactions of this nature.

The transaction can be financed by the Bank, through standard ECB money market operations using the Bonds which are Eurosystem eligible.

Under the terms of the Repo, IBRC will have an obligation to repurchase the Bonds from the Bank for approximately €3.06bn in cash not later than 364 days after the effective date.

The margin for the Bank over ECB funding which would apply to this transaction is 135bps.

As the transaction is considered to be a related party transaction under the Listing Rules, it will be subject to independent stockholder approval. A circular containing additional details of the transaction and the date of the proposed Extraordinary General Court will be posted to stockholders once the circular has been approved by the UK Listing Authority and Irish Stock Exchange. It is anticipated that the transaction will become effective following the satisfaction of all pre-conditions and independent stockholder approval.

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For further information please contact:

**Bank of Ireland**

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### **Forward Looking Statement**

This document contains certain forward looking statements within the meaning of Section 21E of the US Securities Exchange Act of 1934 and Section 27A of the US Securities Act of 1933 with respect to certain of the Bank of Ireland Group's (the Group) plans and its current goals and expectations relating to its future financial condition and performance, the markets in which it operates, and its future capital requirements. These forward looking statements can be identified by the fact that they do not relate only to historical or current facts. Generally, but not always, words such as "may," "could," "should," "will," "expect," "intend," "estimate," "anticipate," "assume," "believe," "plan," "seek," "continue," "target," "goal," "would", or their negative variations or similar expressions identify forward looking statements. Examples of forward looking statements include among others, statements regarding the Group's near term and longer term future capital requirements and ratios, level of ownership of the Irish Government, loan to deposit ratios, expected impairment charges, the level of the Group's assets, the Group's financial position, future income, business strategy, projected costs, margins, future payment of dividends, the implementation of changes in respect of certain of the Group's defined benefit pension schemes, estimates of capital expenditures, discussions with Irish, UK, European and other regulators and plans and objectives for future operations.

Such forward looking statements are inherently subject to risks and uncertainties, and hence actual results may differ materially from those expressed or implied by such forward looking statements. Such risks and uncertainties include, but are not limited to, the following: concerns on sovereign debt and financial uncertainties in the EU and in member countries and the potential effects of those uncertainties on the Group; general economic conditions in Ireland, the United Kingdom and the other markets in which the Group operates; the ability of the Group to generate additional liquidity and capital as required; the effects of the 2011 PCAR, the 2012 PCAR, the 2011 PLAR and the deleveraging reviews conducted by the Central Bank; property market conditions in Ireland and the UK; the potential exposure of the Group to various types of market risks, such as interest rate risk, foreign exchange rate risk, credit risk and commodity price risk; the implementation of the Irish Government's austerity measures relating to the financial support package from the EU / IMF; the availability of customer deposits to fund the Group's loan portfolio; the outcome of the Group's participation in the ELG Scheme; the performance and volatility of international capital markets; the effects of the Irish Government's stockholding in the Group (through the NPRFC) and possible increases in the level of such stockholding; the impact of further downgrades in the Group's and the Irish Government's credit rating; changes in the Irish banking system; changes in applicable laws, regulations and taxes in jurisdictions in which the Group operates particularly banking regulation by the Irish Government; the outcome of any legal claims brought against the Group by third parties; development and implementation of the Group's strategy, including the Group's deleveraging plan, competition for customer deposits and the Group's ability to achieve estimated net interest margins and cost reductions; and the Group's ability to address information technology issues.

Nothing in this document should be considered to be a forecast of future profitability or financial position and none of the information in this document is or is intended to be a profit forecast or profit estimate. Any forward looking statements speak only as at the date they are made. The Group does not undertake to release publicly any revision to these forward looking statements to reflect events, circumstances or unanticipated events occurring after the date hereof. The reader should however, consult any additional disclosures that the Group has made or may make in documents filed or submitted or may file or submit to the US Securities and Exchange Commission.