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17 December 2010

## **THE GOVERNOR AND COMPANY OF THE BANK OF IRELAND ANNOUNCES RESULTS OF EXCHANGE OFFERS**

On 8 December 2010, The Governor and Company of the Bank of Ireland (the **Bank**) announced invitations to holders (subject to offer restrictions) of its outstanding:

- (a) €650,000,000 Fixed/Floating Rate Subordinated Notes due 2019 (the **2019 Euro Existing Notes**), €600,000,000 Callable Step-up Floating Rate Subordinated Notes due 2017 (the **2017 Euro Existing Notes Issued 2005**), €750,000,000 Callable Step-up Floating Rate Subordinated Notes due January 2017 (the **2017 Euro Existing Notes Issued 2007**) and €1,002,157,000 10 per cent. Subordinated Notes due 2020 (issued in three tranches) (the **2020 Euro Existing Notes**) (together, the **Euro Existing Notes**);
- (b) U.S.\$600,000,000 Callable Step-up Floating Rate Subordinated Notes due July 2018 (the **Dollar Existing Notes**); and
- (c) £400,000,000 Callable Fixed/Floating Dated Subordinated Notes due January 2018 (the **2018 Sterling Existing Notes Issued 2005**), £450,000,000 Callable Subordinated Step-up Notes due September 2020 (the **2020 Sterling Existing Notes Issued 2008**), £197,383,000 10 per cent. Subordinated Notes due 2020 (the **2020 Sterling Existing Notes Issued 2010**) and £75,000,000 10  $\frac{3}{4}$  per cent. Subordinated Bonds due 2018 (originally issued by Bristol & West Building Society and initially substituted by Bristol & West plc and then substituted by The Governor and Company of the Bank of Ireland (acting through its United Kingdom branch)) (the **2018 Sterling Existing Notes Issued 1993**) (the **Sterling Existing Notes** and, together with the Euro Existing Notes and the Dollar Existing Notes, the **Existing Notes**),

to offer to exchange their Existing Notes for:

- (i) Euro Denominated 6.75 per cent. Notes due 2012 to be issued by the Bank and guaranteed by the Minister for Finance of Ireland pursuant to the ELG Scheme (the **Euro New Notes**), in the case of the Euro Existing Notes and the Dollar Existing Notes; and
- (ii) Euro New Notes or Sterling Denominated 6.75 per cent. Notes due 2012 to be issued by the Bank and guaranteed by the Minister for Finance of Ireland pursuant to the ELG Scheme (the **Sterling New Notes** and together with the Euro New Notes, the **New Notes**), in the case of the Sterling Existing Notes,

(each such invitation, an **Exchange Offer** and, together, the **Exchange Offers**).

The Exchange Offers were made on the terms and subject to the conditions set out in the Exchange Offer Memorandum dated 8 December 2010 (the **Exchange Offer Memorandum**). Capitalised terms used in this announcement but not defined have the meanings given to them in the Exchange Offer Memorandum.

### **Acceptance of Exchange Offers**

The Bank hereby announces the results of the Exchange Offers.

The aggregate nominal amounts of the Existing Notes of each Series that the Bank has accepted for exchange for New Notes together with the aggregate nominal amounts of the Existing Notes of each Series that the Bank has accepted pursuant to the Cash Exit Alternative are as set out in the table below.

## Existing Notes

	ISIN	Exchange Ratio (%)	Aggregate amount accepted for exchange for New Notes and pursuant to the Cash Exit Alternative
2019 Euro Existing Notes	XS0186652557	51.00	€218,470,000
2017 Euro Existing Notes Issued 2005	XS0223310862	48.00	€109,750,000
2017 Euro Existing Notes Issued 2007	XS0283474483	48.00	€155,050,000
2020 Euro Existing Notes	XS0487711573	56.50	€255,101,000
Dollar Existing Notes	XS0309177318	46.00	U.S.\$143,430,000
2018 Sterling Existing Notes Issued 2005	XS0238792393	52.00	£97,729,000
2020 Sterling Existing Notes Issued 2008	XS0381705549	53.00	£177,872,000
2020 Sterling Existing Notes Issued 2010	XS0487711656	56.50	£110,236,000
2018 Sterling Existing Notes Issued 1993	XS0044196425	57.50	£47,883,000

The aggregate nominal amounts of the New Notes to be issued are as set out in the table below.

## New Notes

	ISIN	New Issue Size	Coupon (%)	Expected Maturity Date
Euro New Notes	XS0572598505	€99,878,000	6.75	30 January 2012
Sterling New Notes	XS0572600335	£172,913,000	6.75	30 January 2012

The FX Rates were fixed as 0.75327 (U.S.\$/€) and 1.1727 (£/€) in accordance with the provisions of the Exchange Offer Memorandum.

No Exchange Pro-Rating Factor has been applied in respect of any Series.

The expected Settlement Date for the Exchange Offers is 30 December 2010.

Notwithstanding anything to the contrary contained in the Exchange Offer Memorandum, it is expected that the New Notes will be rated "Baa1 (Negative outlook)" by Moody's.

Deutsche Bank AG, London Branch and UBS Limited acted as Dealer Managers and Lucid Issuer Services Limited acted as Exchange Agent.

Questions and requests for assistance in connection with the settlement of the Exchange Offers may be directed to any Dealer Manager or the Exchange Agent.

*Dealer Managers*

**Deutsche Bank AG, London Branch**

Winchester House  
1 Great Winchester Street  
London EC2N 2DB  
Telephone: +44 20 7545 8011  
Attention: Liability Management Group  
Email: liability.management@db.com

**UBS Limited**

1 Finsbury Avenue  
London EC2M 2PP  
Telephone: +44 20 7567 0525  
Attention: Liability Management Group  
Email: mark-t.watkins@ubs.com

*Exchange Agent*

**Lucid Issuer Services Limited**

436 Essex Road  
London N1 3QP  
Telephone: +44 20 7704 0880  
Attention: Yves Theis/David Shilson  
Email: boi@lucid-is.com

**DISCLAIMER** This announcement must be read in conjunction with the Exchange Offer Memorandum. Neither this announcement nor the Exchange Offer Memorandum constitutes an offer to sell or buy or the solicitation of an offer to sell or buy the Existing Notes and/or New Notes. The distribution of this announcement and the Exchange Offer Memorandum in certain jurisdictions may be restricted by law. Persons into whose possession this announcement or the Exchange Offer Memorandum comes are required by the Bank, the Dealer Managers and the Exchange Agent to inform themselves about, and to observe, any such restrictions.

**NOTICE**

The Dealer Managers are acting exclusively for the Bank and no one else in connection with the arrangements described in this announcement and will not be responsible to anyone other than the Bank for providing the protections afforded to customers of the Dealer Managers or for advising any other person in connection with the arrangements described in this announcement.

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