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The Governor and Company of the Bank of Ireland

Placing of new units of ordinary stock to facilitate redemption of c. €537 million 2009 Preference Stock and sale by the NPRFC of €1.3 billion 2009 Prefs to private investors

4 December 2013

1. Introduction

For some time, the Bank has been considering appropriate options for its €1.837 billion 2009 Prefs in conjunction with the Irish State (which, through the NPRFC, is the current holder of the 2009 Prefs) and with the Central Bank of Ireland.

The Bank today announces a capital package (the “Capital Package”) in relation to the 2009 Prefs, which has been agreed with the Irish State and the Central Bank of Ireland, and which comprises (i) the placing of new units of ordinary stock (the “Placing Stock”) to generate proceeds of c. €537 million (net of expenses) (“the Placing”), to redeem c. €537 million of the 2009 Prefs and (ii) the sale by the NPRFC of €1.3 billion 2009 Prefs to private investors.

The Bank intends to issue Placing Stock under the Placing, representing up to a maximum of 9.99% of the Bank's existing issued ordinary stock, to both existing and new institutional investors. The proceeds of the Placing are expected to be €580 million and will be used to redeem c. €537 million of the 2009 Prefs and pay transaction expenses in respect of the Capital Package. The Bank has mandated Credit Suisse Securities (Europe) Limited, J&E Davy (trading as Davy), Deutsche Bank AG and UBS Limited as Placing Agents in relation to the Placing.

The Bank has also mandated the Placing Agents and Bank of America Merrill Lynch as Joint Lead Managers to manage and underwrite the sale to private investors of notes that are secured on €1.3 billion 2009 Prefs, as described below (the “2009 Prefs Private Sector Sale”).

2. Context

The 2009 Prefs, which were issued by the Bank on 31 March 2009, following stockholder approval, may be reimbursed at the option of the Bank, in whole or in part, at a price per unit equal to the issue price of €1.00 per unit before 31 March 2014 and thereafter at a price per unit of €1.25, which includes a 25% step-up premium (the “Step-up”), provided in either case that the consent of the Central Bank of Ireland to the reimbursement of the 2009 Prefs is obtained. The 2009 Prefs have a fixed coupon of 10.25% per annum.

The original issuance of the 2009 Prefs to the NPRFC was considered by the European Commission to involve the provision of State aid. Restructuring Plans have been agreed with the European Commission including amendments to the Restructuring Plans, the most recent of which was in July 2013. Under the July 2013 Amended EU Restructuring Plan, the Bank currently has a restriction on the payment of dividends on its ordinary stock until the earlier of 31 December 2015 or the date on which the 2009 Prefs are no longer owned by the Irish State. In addition, after 1 January 2016, dividends on ordinary stock are linked to reimbursement to the Irish State of the 2009 Prefs by providing that dividend payments in each year shall not exceed 50% of the reimbursement amount of the 2009 Prefs reimbursed to the Irish State in that year. These dividend restrictions will no longer apply once the 2009 Prefs are no longer owned by the Irish State.

3. Placing

Purpose

The purpose of the Placing is to raise c. €537 million CET1 capital with the proceeds of the Placing (net of expenses for the overall Capital Package) to be used to redeem c. €537 million of the 2009 Prefs.

The Bank has evaluated its options to address the requirement to reimburse the State aid relating to the 2009 Prefs as soon as commercially possible and the potential consequences for the Bank, if the Step-up were to apply. Taking these matters into account, the Directors have carefully considered the options for raising equity capital and believe that, taking into consideration the amount of capital being raised relative to the Bank's market capitalisation, the expected pricing of the Placing and ease of implementation, the Placing, as set out below, is in the best interests of Bank and its ordinary stockholders, as a whole.

Details of the Placing

The Placing, which is underwritten, will be effected by means of an accelerated bookbuild to be managed by the Placing Agents. The number of units of Placing Stock and the price of each unit will be determined at the close of the bookbuild process. The timing of the closing of the bookbuild, the price of each unit of Placing Stock and allocations of Placing Stock will be determined at the discretion of the Placing Agents and the Bank.

The book opens with immediate effect. The Placing Stock will be placed pursuant to the Bank's existing authority, granted at the Annual General Court of 24 April 2013.

The Placing Stock, when issued, will be fully paid and will rank pari passu in all respects with the existing issued ordinary stock of the Bank. Application will be made for the Placing Stock to be admitted to the premium listing segment of the Official List of the UK Listing Conduct Authority and to the primary listing segment of the official list of the Irish Stock Exchange and to be admitted to trading on the main market for listed securities of the London Stock Exchange plc and the regulated market for listed securities of the Irish Stock Exchange.

Settlement of the Placing, the issue of Placing Stock and the redemption of c. €537 million 2009 Prefs are expected to occur on or about 9 December 2013.

Further details of the Placing, including key terms and conditions, are set out in Appendix I.

4. 2009 Prefs Private Sector Sale

Details of the Sale

The 2009 Prefs Private Sector Sale has been structured such that private investors will be invited to purchase €1.3 billion, in principal amount, of c.10.24% perpetual non-cumulative notes (the “Notes”) to be issued by Baggot Securities Limited (“Baggot”), a special purpose company, further details of which are set out in Appendix IV. Baggot in turn will use the net proceeds of the issue of the Notes to acquire 1.3 billion units of 2009 Prefs from the NPRFC. As part of the transaction, Baggot will waive its right to the Step-up and therefore investors in the Notes will not receive any benefit from the Step-up. Save in certain limited circumstances¹, the Bank does not expect to redeem the 2009 Prefs sold as part of the 2009 Prefs Private Sector Sale prior to 1 January 2016.

The Notes are expected to be admitted to trading on the Luxembourg Stock Exchange’s regulated market. The 2009 Prefs Private Sector Sale will be managed and underwritten by the Joint Lead Managers.

Other Matters

The Central Bank of Ireland has confirmed that it will recognise the 2009 Prefs included in the 2009 Prefs Private Sector Sale for grandfathering purposes as CET1 under Article 483 of the CRR from 1 January 2014, being the date of introduction of CRR. Further, the 2009 Prefs Private Sector Sale will have no impact on the Core Tier 1 treatment of the 2009 Prefs up to 31 December 2013.

As set out above, it is not the Bank’s intention to redeem the 2009 Prefs sold in the 2009 Prefs Private Sector Sale prior to January 2016, save in certain limited circumstances¹. In addition, the Bank has advised the Central Bank of Ireland that it is not the Bank’s intention to recognise the 2009 Prefs as regulatory CET1 capital after July 2016, unless de-recognition would mean that an adequate capital buffer cannot be maintained above applicable regulatory requirements. In this context, the Bank notes that during 2016 the Bank will exit from its EU Restructuring Plan and that 2016 is the maturity date for the €1 billion Contingent Capital Notes, issued in 2011, which have a coupon of 10% per annum.

¹ These circumstances would include changes in regulatory capital treatment, breach of waiver deed and taxation

5. Key benefits of the Capital Package

The Bank believes that the Capital Package outlined above provides the following key benefits to ordinary stockholders:

- *Enables the Bank to fully reimburse the State for its investment in the 2009 Prefs, repaying the related State aid and further reimbursing the Irish taxpayer for its investment in the Bank:* Once the Capital Package is implemented, the State will be fully reimbursed for the 2009 Prefs. If so, in total, since 2009, the Bank will have received €4.8 billion cash from the State and returned €5.9 billion cash to the State for the State's explicit support for and investment in the Bank;
- *Addresses the Step-up:* When the 2009 Prefs were issued to the NPRFC, they were structured to incentivise reimbursement to the NPRFC/Irish State as soon as practicable. For any 2009 Prefs which are not reimbursed by 31 March 2014, the redemption price would increase from €1.00 per unit to €1.25 per unit when and if they were ultimately redeemed. Were the Step-up to be paid, it would reduce the Bank's net assets and distributable reserves. The net proceeds of the Placing will be used to redeem c. €537 million of the 2009 Prefs and Baggot has agreed to waive the Step-up on the 2009 Prefs sold in the 2009 Prefs Private Sector Sale. Consequently, once the Capital Package is implemented, the Step-up on the 2009 Prefs will have been removed;
- *Provides cashflow and capital benefits and capital flexibility:* Once the Capital Package is implemented, the annual saving of the c.€55 million discretionary cash dividend on the 2009 Prefs to be redeemed following the Placing would avoid the reduction in CET1 capital that might otherwise result from the payment of such dividends. The Capital Package therefore results in a future capital benefit for the Group, as the Group would not incur the Step-up and part of the 2009 Prefs dividend payments that might have otherwise applied. The fact that the Step-up will have been addressed through the Capital Package gives the Bank greater flexibility with respect to its capital management activities;
- *Removes the ordinary stock dividend restrictions:* Once the 2009 Prefs Private Sector Sale and redemption of the remaining €537 million 2009 Prefs are completed, the ordinary stock dividend restrictions, imposed under the July 2013 Amended EU Restructuring Plan, would cease to apply. This would enable the Bank, subject to any required regulatory approval, to pay ordinary stock dividends in the future dependent, inter alia, on future profitability and maintaining appropriate capital levels; and
- *Represents a further step in the Bank's recovery and the normalisation of its relationship with the State:* Over the past four and a half years the Bank has taken a number of significant steps to normalise its relationship with the State. In 2013, these significant steps have included the sale of the €1 billion Contingent Convertible Notes in January 2013 to private investors and the expiry of

the ELG Guarantee Scheme in March 2013. This Capital Package is a very material part of the normalisation of this relationship.

6. Timetable of Principal Events

An expected timetable of principal events is set out at Appendix II.

7. Other Information

This Announcement (which includes the Appendices) should be read in its entirety. In particular, you should read and understand the information provided in the "Important Notices" section of this Announcement. A list of defined terms is set out in Appendix III. Details of certain other information are set out in Appendix IV.

Credit Suisse Securities (Europe) Limited and IBI Corporate Finance Limited are acting as financial advisers to the Bank in relation to the Capital Package.

8. Contacts

For further information please contact:

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This Announcement is for information only and not an offer of securities for sale, or a solicitation of an offer to buy securities, in the United States or any other jurisdiction where to do so would be unlawful and the securities referred to above may not be offered or sold in the United States or offered to US persons absent registration under the US Securities Act of 1933 (the Securities Act) or an exemption from registration under the Securities Act. The offerings of the securities referred to above have not been and will not be registered under the Securities Act.

Appendix I: Key terms of the Placing

Details of the Placing

The Placing is subject to the terms and conditions set out in this Appendix I, which form part of this Announcement.

The Bank intends to issue new units of ordinary stock under the Placing, representing up to 9.99% of the Bank's existing issued ordinary stock, to both existing and new institutional investors. The proceeds of the Placing are expected to amount to c.€537 million (net of expenses), which will fund the capital necessary to permit the redemption of c.€537 million of the 2009 Prefs.

The Placing Agents will today commence an accelerated bookbuilding process in respect of the Placing (the "Bookbuild Process"). The number of units of Placing Stock and the price at which the units of Placing Stock are to be placed (the "Placing Price") will be determined at the close of the Bookbuild Process. The bookbuild will open with immediate effect following this Announcement. The Placing Agents and the Bank shall be entitled to effect the Placing by such alternative method to the Bookbuild Process as they may, in their sole discretion, determine.

The Placing has been fully underwritten by the Placing Agents subject to the terms and conditions set out in the Placing Agreement.

The timing of the closing of the Bookbuild Process, the Placing Price and allocations of Placing Stock are at the discretion of the Placing Agents and the Bank. Details of the Placing Price and the number of units of Placing Stock will be announced as soon as practicable after the close of the Bookbuild Process.

The Placing Stock, when issued, will be fully paid and will rank pari passu in all respects with the existing ordinary stock of the Bank, including the right to receive all dividends and other distributions declared, made or paid after the date of issue.

As part of the Placing, the Bank has agreed that it will not issue or sell, directly or indirectly, any ordinary stock for a period of 90 days from the Placing settlement date without the prior written consent of the Placing Agents. This agreement is subject to certain customary exceptions and does not prevent the Bank from granting options under, and allotting and issuing ordinary stock pursuant to options granted under the Bank's stock option schemes in the ordinary course or any issue of stock related to existing convertible preference stock or pursuant to an obligation imposed on the Bank by any regulatory body having jurisdiction over the Bank.

Application will be made for the Placing Stock to be admitted to the premium listing segment of the Official List of the UK Listing Authority and to the primary listing segment of the official list of the Irish Stock Exchange and to be admitted to trading on the main market for listed securities of the London Stock Exchange plc and the regulated market for listed securities of the Irish Stock Exchange (together, "Admission").

Settlement for the Placing Stock and Admission is expected to take place on or before 8.00 am on 9 December 2013. The Placing is conditional, among other things, upon Admission becoming effective. The Placing is also conditional upon the placing agreement between the Bank and the Placing Agents dated 4 December 2013 (the "Placing Agreement") not being terminated.

Placing Agreement

The Placing Agents have entered into the Placing Agreement with the Bank under which, subject to the conditions set out therein, the Placing Agents have agreed, acting severally, to use reasonable endeavours to procure subscribers for the Placing Stock, at a price determined following completion of the Bookbuild Process described in this Announcement and set out in the Placing Agreement.

If the proceeds from the Placing are less than €580 million, or if any Placee defaults in paying the Placing Price in respect of any Placing Stock allotted to it, the Placing Agents have severally (and not jointly or jointly and severally) agreed to acquire such Placing Stock, and the Bank has agreed to allot or issue, as applicable, such Placing Stock to the Placing Agents, on and subject to the terms set out in the Placing Agreement so that the proceeds of the Placing are €580 million.

Participation in, and principal terms of, the Placing

1. Credit Suisse Securities (Europe) Limited, J&E Davy (trading as Davy), Deutsche Bank AG and UBS Limited are acting as Placing Agents and agents of the Bank under the Placing.

2. Participation in the Placing will only be available to persons who may lawfully be, and are, invited to participate by the Placing Agents and who, if requested by any of the Placing Agents, return a signed investor representation letter in the form provided by the Placing Agents. The Placing Agents and their affiliates are each entitled to enter bids in the Bookbuild process as principal.

3. The allotment and issue of the Placing Stock to Placees or to the Placing Agents by the Bank will be in consideration of the transfer to the Bank by the settlement agent of shares in JerseyCo, pursuant to the Subscription and Transfer Agreement. The consideration from the Bank for the transfer to it of the shares in JerseyCo will be satisfied by the issue of the Placing Stock by the Bank to the Placees or to the Placing Agents.

4. The bookbuild will establish a single Placing Price payable to the Placing Agents by all Placees whose bids are successful. The Placing Price and the number of units of Placing Stock to be issued will be agreed between the Placing Agents and the Bank following completion of the bookbuild. Any discount to the market price of the Bank's ordinary stock will be determined in accordance with the Listing Rules of the UK Listing Authority and the Irish Stock Exchange. The Placing Price and the number of units of Placing Stock will be announced on a Regulatory Information Service following the completion of the bookbuild (the "Pricing Announcement").

5. To bid in the bookbuild, Placees should communicate their bid by telephone to their usual sales contact at any of the Placing Agents. Each bid should state the number of units of Placing Stock which the prospective Placee wishes to subscribe for at either the Placing Price which is ultimately established by the Bank and the Placing Agents or at prices up to a price limit specified in its bid. Bids may be scaled down by the Placing Agents on the basis referred to in paragraph 10 below.

6. The bookbuild is expected to close no later than 4.30pm (London time) on 4 December 2013 but may be closed earlier or later at the joint discretion of the Placing Agents and the Bank. The Placing Agents may, in agreement with the Bank, accept bids that are received after the bookbuild has closed. The Bank reserves the right (upon the agreement of the Placing Agents) to reduce or seek to increase the amount

to be raised pursuant to the Placing, in its absolute discretion. The Bank and the Placing Agents reserve the right not to accept offers for Placing Stock or to accept such offers in part rather than in whole.

7. Each prospective Placee's allocation will be determined by the Placing Agents, in agreement with the Bank, and will be confirmed orally by one of the Placing Agents as agent of the Bank following the close of the bookbuild. That oral confirmation will constitute an irrevocable legally binding commitment upon that person (who will at that point become a Placee) to subscribe for the number of units of Placing Stock allocated to it at the Placing Price on the terms and conditions set out in this Appendix I and in accordance with the Bank's by-laws.

8. Each prospective Placee's allocation and commitment will be evidenced by a trade confirmation issued to such Placee by one of the Placing Agents.

9. Each Placee will also have an immediate, separate, irrevocable and binding obligation, owed to the relevant Placing Agent, to pay in cleared funds at the time set out in paragraph 13, an amount equal to the product of the Placing Price and the number of units of Placing Stock such Placee has agreed to subscribe and the Bank has agreed to allot and issue to that Placee.

10. Subject to paragraphs 5 and 6 above, the Placing Agents may choose to accept bids, either in whole or in part, on the basis of allocations determined in agreement with the Bank and may scale down any bids for this purpose on such basis as they may determine. The Placing Agents may also, notwithstanding paragraphs 5 and 6 above, subject to the prior consent of the Bank (i) allocate Placing Stock after the time of any initial allocation to any person submitting a bid after that time and (ii) allocate Placing Stock after the bookbuild has closed to any person submitting a bid after that time.

11. A bid in the bookbuild will be made on the terms and subject to the conditions in this Announcement and will be legally binding on the Placee on behalf of which it is made and, except with the consent of the Placing Agents, will not be capable of variation or revocation after the time at which it is submitted.

12. Except as required by law or regulation, no press release or other announcement will be made by the Placing Agents or the Bank using the name of any Placee (or its agent), in its capacity as Placee (or agent), other than with such Placee's prior written consent.

13. Irrespective of the time at which a Placee's allocation pursuant to the Placing is confirmed, settlement for all Placing Stock to be acquired pursuant to the Placing will be required to be made at the same time, on the basis explained below under "Registration and Settlement".

14. All obligations under the bookbuild and Placing will be subject to fulfilment of the conditions referred to below under "Conditions of the Placing" and to the Placing not being terminated on the basis referred to below under "Right to terminate under the Placing Agreement".

15. By participating in the bookbuild, each Placee will agree that its rights and obligations in respect of the Placing will terminate only in the circumstances described below and will not be capable of rescission or termination by the Placee.

16. To the fullest extent permissible by law, neither the Placing Agents nor the Bank nor any of their respective affiliates shall have any liability to Placees (or to any other person whether acting on behalf of

a Placee or otherwise). In particular, neither the Placing Agents nor the Bank nor any of their respective affiliates shall have any liability (including, to the extent permissible by law, any fiduciary duties) in respect of the Placing Agents' conduct of the bookbuild or of such alternative method of effecting the Placing as the Placing Agents and the Bank may agree.

Conditions of the Placing

The obligations of the Placing Agents under the Placing Agreement to be entered into in respect of the Placing Stock will be conditional on, inter alia:

1. certain announcement obligations;
2. in the opinion of the Placing Agents (acting in good faith), the representations, warranties and undertakings on the part of the Bank contained in the Placing Agreement being true and accurate and not misleading in all respects which is material in the context of the Placing and/or Admission at all times before Admission by reference to the facts and circumstances then subsisting;
3. in the opinion of the Placing Agents (acting in good faith), the Bank having complied with all its obligations under the Placing Agreement which are material in the context of the Placing Agreement and / or Admissions; and
4. Admission becoming effective no later than 8.00 am on 9 December 2013 or such other date as may be agreed in writing by the Bank and the Placing Agents,

(all conditions to the obligations of the Placing Agents included in the Placing Agreement being together the "conditions").

If (i) any of the conditions contained in the Placing Agreement in relation to the Placing Stock are not fulfilled or waived by the Placing Agents by the respective time or date where specified (or such later time or date as the Bank and the Placing Agents may agree), (ii) any of such conditions becomes incapable of being fulfilled or (iii) the Placing Agreement is terminated in the circumstances specified below, the Placing will lapse and the Placee's rights and obligations hereunder in relation to such Placing Stock shall cease and terminate at such time and each Placee agrees that no claim can be made by the Placee in respect thereof.

The Placing Agents may, at their discretion and upon such terms as they think fit, waive compliance by the Bank with the whole or any part of any of the Bank's obligations in relation to the conditions in the Placing Agreement save that the condition in the Placing Agreement relating to Admission may not be waived. Any such extension or waiver will not affect Placees' commitments as set out in this Announcement.

None of the Placing Agents, the Bank or any other person shall have any liability to any Placee (or to any other person whether acting on behalf of a Placee or otherwise) in respect of any decision they may make as to whether or not to waive or to extend the time and /or the date for the satisfaction of any condition to the Placing nor for any decision they may make as to the satisfaction of any condition or in

respect of the Placing generally and, by participating in the Placing, each Placee agrees that any such decision is within the absolute discretion of the Placing Agents.

Right to terminate under the Placing Agreement

Once it is entered into, the Placing Agents will be entitled, at any time before Admission, to terminate the Placing Agreement in relation to their obligations in respect of the Placing Stock by giving notice to the Bank in certain circumstances, including if, inter alia:

1. in the opinion of any of the Placing Agents (acting in good faith), any of the representations, warranties and undertakings on the part of the Bank contained in the Placing Agreement is untrue, inaccurate or misleading or, if repeated at any time up to and including Admission, would be untrue, inaccurate or misleading by reference to the facts then subsisting in any respect which is material in the context of the Placing and/or Admission;
2. in the opinion of any of the Placing Agents (acting in good faith), the Bank is in breach of any of its obligations under the Placing Agreement or the Subscription and Transfer Agreement in any respect which such Placing Agent regards as material in the context of the Placing and/or Admission;
3. any statement in any of the Placing documents, any 2009 Prefs Private Sector Sale prospectus or the SEC filings is incorrect or has become untrue, incorrect or misleading in any material respect as a result of a new matter or change or that a new matter has arisen or a change has taken place which would, if the Placing documents, any 2009 Prefs Private Sector Sale prospectus or the SEC filings were published at that time, constitute a material omission from such documents; and
4. in the opinion of any of the Placing Agents (acting in good faith), there has been a material adverse change or development likely to result in a material adverse change in the financial or trading position or prospects of the Bank and/or its group.

By participating in the Placing, Placees agree that the exercise by the Bank or the Placing Agents of any right of termination or other discretion under the Placing Agreement shall be within the absolute discretion of the Bank or the Placing Agents as the case may be and that they need not make any reference to any such Placees and that neither the Bank, the Placing Agents nor any of their respective affiliates or agents shall have any liability to any Placee whatsoever in connection with any such exercise or failure so to exercise.

No Prospectus

No offering document or prospectus has been or will be submitted to be approved by the Irish Stock Exchange, the Central Bank of Ireland or the Financial Conduct Authority in relation to the Placing and the Placees' commitments will be made solely on the basis of the information contained in this Announcement, and any information publicly announced by the Bank to a Regulatory Information Service (the "publicly available information"), and subject to the further terms set forth in the trade confirmation to be provided to individual prospective Placees.

Each Placee, by accepting a participation in the Placing, agrees that the content of this Announcement is exclusively the responsibility of the Bank and confirms that it has neither received nor relied on any other information, representation, warranty, or statement made by or on behalf of the Bank or the Placing Agents or any other person (including, without limitation, presentation materials given by the Bank in connection with the Placing) and none of the Placing Agents or the Bank nor any other person, other than publicly available information, will be liable for any Placee's decision to participate in the Placing based on any other information, representation, warranty or statement which the Placees may have obtained or received. Each Placee acknowledges and agrees that it has relied on its own investigation of the business, financial or other position of the Bank in accepting a participation in the Placing. Nothing in this paragraph shall exclude the liability of any person for fraudulent misrepresentation.

Registration and Settlement

Settlement of transactions in the Placing Stock following Admission will take place within the CREST system, subject to certain exceptions. The Bank reserves the right to require settlement for and delivery of the Placing Stock (or a portion thereof) to Placees in certificated form if, in the Bank's and the Placing Agents' reasonable opinion, delivery or settlement is not possible or practicable within the CREST system or would not be consistent with the regulatory requirements in the Placee's jurisdiction.

Following the close of the bookbuild for the Placing, each Placee allocated Placing Stock in the Placing will be sent a trade confirmation stating the number of units of Placing Stock to be allocated to it at the Placing Price and settlement instructions. Each Placee agrees that it will do all things necessary to ensure that delivery and payment is completed as directed by the Placing Agents in accordance with either the standing CREST or certificated settlement instructions that it has in place with the Placing Agents.

The Bank will deliver the Placing Stock to a CREST account operated by UBS Limited as agent for the Bank and UBS Limited will enter its delivery (DEL) instruction into the CREST system. The input to CREST by a Placee of a matching or acceptance instruction will then allow delivery of the relevant Placing Stock to that Placee against payment.

It is expected that settlement will be on 9 December 2013 on a T + 3 basis in accordance with the instructions given to the Placing Agents.

Interest is chargeable daily on payments not received from Placees on the due date in accordance with the arrangements set out above at the rate of two percentage points above the prevailing London Interbank Offered Rate ("LIBOR") as determined by the Placing Agents.

Each Placee is deemed to agree that, if it does not comply with these obligations, the Bank and the Placing Agents may sell any or all of the Placing Stock allocated to that Placee on such Placee's behalf and retain from the proceeds, for the Bank's account and benefit, an amount equal to the aggregate amount owed by the Placee plus any interest due. The relevant Placee will, however, remain liable for any shortfall below the aggregate amount owed by it and may be required to bear any stamp duty or stamp duty reserve tax (together with any interest or penalties) which may arise upon the sale of such Placing Stock on such Placee's behalf.

If Placing Stock is to be delivered to a custodian or settlement agent, Placees should ensure that the trade confirmation is copied and delivered immediately to the relevant person within that organisation. Insofar as Placing Stock is registered in a Placee's name or that of its nominee or in the name of any person for whom a Placee is contracting as agent or that of a nominee for such person, such Placing Stock should, subject as provided below, be so registered free from any liability to Irish stamp duty or stamp duty reserve tax. Placees will not be entitled to receive any fee or commission in connection with the Placing.

Representations and Warranties

By participating in the Placing, each Placee (and any person acting on such Placee's behalf):

1. represents and warrants that it has read this Announcement (including this Appendix I) in its entirety;
2. acknowledges that no offering document or prospectus has been prepared in connection with the placing of the Placing Stock and represents and warrants that it has not received a prospectus or other offering document in connection therewith and, in particular, that it has placed no reliance on the preliminary prospectus or the prospectus issued by Baggot Securities Limited in respect of the €1.3 billion 10.24% perpetual non-cumulative notes.
3. acknowledges that the Placing Stock will be listed on the Official List of the UK Listing Authority and the Official List of the Irish Stock Exchange and the Bank is therefore required to publish certain business and financial information in accordance with the rules and practices of the Financial Conduct Authority and the Irish Stock Exchange which includes a description of the nature of the Bank's business and the Bank's most recent balance sheet and profit and loss account and that it is able to obtain or access such information without undue difficulty and is able to obtain access to such information or comparable information concerning any other publicly traded company without undue difficulty;
4. acknowledges that none of the Placing Agents or the Bank nor any of their affiliates nor any person acting on behalf of any of them has provided, and will not provide it, with any material regarding the Placing Stock or the Bank or any other person other than this Announcement; nor has it requested any of the Placing Agents, the Bank or any of their affiliates or any person acting on behalf of any of them to provide it with any such information;
5. acknowledges that it and, if different, the beneficial owner of the Placing Stock is not, and, at the time the Placing Stock are acquired, will not be residents of Australia, Japan, Jersey or Republic of South Africa and each of it and, if different, the beneficial owner of the Placing Stock is, and at the time the Placing Stock are acquired will be either (I) (a) outside the United States, and (b) acquiring the Placing Stock in an "offshore transaction" within the meaning of Regulation S under the United States Securities Act of 1933 (as amended) (the "Securities Act") ("Regulation S") acquiring the Placing Stock pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act, or (II) in the United States or a US Persons (as defined in Regulation S) outside the United States only if the requirements detailed below under "Representations and Warranties of US purchasers" are satisfied and that the Placing Stock have not been and will not be registered under the securities legislation of the United States, Australia, Canada, Japan, Jersey or Republic of South Africa and, subject to certain

exceptions, may not be offered, sold, taken up, renounced or delivered or transferred, directly or indirectly, in or into those jurisdictions;

6. acknowledges that the content of this Announcement is exclusively the responsibility of the Bank and that none of the Placing Agents nor the Bank nor any person acting on their respective behalf has or shall have any liability for any information, representation or statement contained in this Announcement nor any information previously published by or on behalf of the Bank and will not be liable for any Placee's decision to participate in the Placing based on any information, representation or statement contained in this Announcement or otherwise. Each Placee further represents, warrants and agrees that the only information on which it is entitled to rely and on which such Placee has relied in committing itself to subscribe for the Placing Stock is contained in this Announcement and any information previously published by the Bank by notification to a Regulatory Information Service, such information being all that it deems necessary to make an investment decision in respect of the Placing Stock, and that it has neither received nor relied on any other information given or representation, warranties or statements made by any of the Placing Agents or the Bank and none of the Placing Agents or the Bank will be liable for any Placee's decision to accept an invitation to participate in the Placing based on any other information, representation, warranty or statement. Each Placee further acknowledges and agrees that it has relied on its own investigation of the business, financial or other position of the Bank in deciding to participate in the Placing;
7. acknowledges that none of the Placing Agents nor the Bank nor any person acting on behalf of any of them nor any of their respective affiliates has or shall have any liability for any publicly available or filed information or any representation relating to the Bank, provided that nothing in this paragraph excludes the liability of any person for fraudulent misrepresentation made by that person;
8. acknowledges that the Placing Stock have not been and will not be registered under the Securities Act or with any State or other jurisdiction of the United States, nor approved or disapproved by the US Securities and Exchange Commission ("SEC"), any state securities commission in the United States or any other United States regulatory authority, and agrees not to reoffer, resell, pledge or otherwise transfer the Placing Stock except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act;
9. confirms that neither it nor any person acting on its behalf has offered or sold or will offer or sell any of its Placing Stock except outside the United States in accordance with Rule 903 or Rule 904 of Regulation S in compliance with applicable laws, including applicable securities laws of any State of the United States;
10. represents and warrants that neither it, nor the person specified by it for registration as holder of Placing Stock is acting as nominee or agent for, and that the Placing Stock will not be allotted to, a person who is or may be liable to stamp duty or stamp duty reserve tax under any of sections 67,70, 93 and 96 of the Finance Act 1986 (depository receipts and clearance services);
11. represents and warrants that it has complied with its obligations in connection with money laundering and terrorist financing under the Proceeds of Crime Act 2002 of the UK, the Terrorism Act 2003 of the UK, the Money Laundering Regulations 2003 of the UK, the Criminal

Justice Act 1994 of Ireland and the Criminal Justice (Money Laundering and Terrorist Financing) Act 2010 of Ireland (the "Regulations") and, if making payment on behalf of a third party, that satisfactory evidence has been obtained and recorded by it to verify the identity of the third party as required by the Regulations;

12. represents and warrants that (i) it and any person acting on its behalf falls within Article 19(5) and/or 49(2) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended, and undertakes that it will acquire, hold, manage and (if applicable) dispose of any Placing Stock that are allocated to it for the purposes of its business and (ii) it and any person acting on its behalf is entitled to subscribe for Placing Stock comprised in its allocation under the laws of all relevant jurisdictions which apply to it and that it has fully observed such laws and obtained all governmental and other consents which may be required thereunder and complied with all necessary formalities;
13. if a financial intermediary, as that term is used in Article 3(2) of the Directive of the European Parliament and of the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading (No 2003/71/EC) (as amended) (the "Prospectus Directive") (including any relevant implementing measure in any member state), represents and warrants that the Placing Stock purchased by it in the Placing will not be acquired on a non-discretionary basis on behalf of, nor will they be acquired with a view to their offer or resale to, persons in a member state of the European Economic Area which has implemented the Prospectus Directive other than to qualified investors, or in circumstances in which the prior consent of the Placing Agents has been given to the proposed offer or resale;
14. if it is a pension fund or investment company, represents and warrants that its acquisition of Placing Stock is in full compliance with applicable laws and regulations;
15. represents and warrants that it has not offered or sold and, prior to the expiry of a period of six months from Admission, will not offer or sell any Placing Stock to persons in the United Kingdom, except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their business or otherwise in circumstance which have not resulted and which will not result in an offer to the public in the United Kingdom within the meaning of section 85(1) of the Financial Services and Markets Act 2000 ("FSMA");
16. represents and warrants that it has not offered or sold and will not offer or sell any Placing Stock to persons in the European Economic Area prior to Admission except to persons whose ordinary activities involve them acquiring, holding, managing or disposing of investments (as principal or agent) for the purpose of their business or otherwise in circumstances which have not resulted and which will not result in an offer to the public in any member state of the European Economic Area within the meaning of the Prospectus Directive (including any relevant implementing measure in any member state);
17. represents and warrants that it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of FSMA) relating to the Placing Stock in

circumstances in which section 21(1) of FSMA does not require approval of the communication by an authorised person;

18. represents and warrants that it has complied and will comply with all applicable provisions of FSMA with respect to anything done by it in relation to the Placing Stock in, from or otherwise involving the United Kingdom;
19. represents and warrants that it is a "qualified investor" within the meaning of the Prospectus Directive (including any relevant implementing measure in any member state);
20. acknowledges that no action has been or will be taken by any of the Bank, the Placing Agents or any person acting on behalf of the Bank or the Placing Agents that would, or is intended to, permit a public offer of the Placing Stock in any country or jurisdiction where any such action for that purpose is required;
21. represents and warrants that, if it has received any confidential price sensitive information about the Bank in advance of the Placing, it has not: (i) dealt in the securities of the Bank; (ii) encouraged or required another person to deal in the securities of the Bank; or (iii) disclosed such information to any person, prior to the information being made generally available;
22. represents and warrants that it and any person acting on its behalf is entitled to acquire the Placing Stock under the laws of all relevant jurisdictions and that it has all necessary capacity and has obtained all necessary consents and authorities to enable it to commit to this participation in the Placing and to perform its obligations in relation thereto (including, without limitation, in the case of any person on whose behalf it is acting, all necessary consents and authorities to agree to the terms set out or referred to in this Announcement) and will honour such obligations;
23. undertakes that it (and any person acting on its behalf) will make payment for the Placing Stock allocated to it in accordance with this Announcement on the due time and date set out herein, failing which the relevant Placing Stock may be placed with other subscribers or sold as the Placing Agents may in their discretion determine and without liability to such Placee;
24. acknowledges that its allocation (if any) of Placing Stock will represent a maximum number of Placing Stock which it will be entitled, and required, to subscribe for, and that the Bank may call upon it to subscribe for a lower number of Placing Stock (if any), but in no event in aggregate more than the aforementioned maximum;
25. acknowledges that none of the Placing Agents nor any of their respective affiliates, nor any person acting on behalf of any of them, is making any recommendations to it, advising it regarding the suitability of any transactions it may enter into in connection with the Placing and that participation in the Placing is on the basis that it is not and will not be a client of any of the Placing Agents and that the Placing Agents have no duties or responsibilities to it for providing the protections afforded to their clients or customers or for providing advice in relation to the Placing nor in respect of any representations, warranties, undertakings or indemnities contained in the Placing Agreement nor for the exercise or performance of any of their rights and

obligations thereunder including any rights to waive or vary any conditions or exercise any termination right;

26. represents and warrants that it has knowledge and experience in financial, business and international investment matters as is required to evaluate the merits and risks of subscribing for the Placing Stock, and further acknowledges that it is experienced in investing in securities of this nature and is aware that it may be required to bear, and is able to bear, the economic risk of, and is able to sustain a complete loss in connection with the Placing and that it has relied upon its own examination and due diligence of the Bank and its associates taken as a whole, and the terms of the Placing, including the merits and risks involved;
27. acknowledges and accepts that the Placing Agents may, in accordance with applicable legal and regulatory provisions, engage in transactions in relation to the Placing Stock and/or related instruments for their own account for the purpose of hedging their underwriting exposure or otherwise and, except as required by applicable law or regulation, the Placing Agents will not make any public disclosure in relation to such transactions;
28. undertakes that the person whom it specifies for registration as holder of the Placing Stock will be (i) itself or (ii) its nominee, as the case may be. None of the Placing Agents or the Bank will be responsible for any liability to stamp duty or stamp duty reserve tax resulting from a failure to observe this requirement. Each Placee and any person acting on behalf of such Placee agrees to participate in the Placing and it agrees to indemnify the Bank and the Placing Agents in respect of the same on the basis that the Placing Stock will be allotted to the CREST stock account of UBS Limited who will hold them as nominee on behalf of such Placee until settlement in accordance with its standing settlement instructions;
29. acknowledges that any agreements entered into by it pursuant to these terms and conditions shall be governed by and construed in accordance with the laws of Ireland and it submits (on behalf of itself and on behalf of any person on whose behalf it is acting to the exclusive jurisdiction of the Irish courts as regards any claim, dispute or matter arising out of any such contract, except that enforcement proceedings in respect of the obligation to make payment for the Placing Stock (together with any interest chargeable thereon) may be taken by the Bank or the Placing Agents in any jurisdiction in which the relevant Placee is incorporated or in which any of its securities have a quotation on a recognised stock exchange;
30. agrees that the Bank, the Placing Agents and their respective affiliates and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgements and undertakings which are given to each of the Placing Agents on its own behalf and on behalf of the Bank and are irrevocable;
31. agrees to indemnify and hold the Bank, the Placing Agents and their respective affiliates harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the representations, warranties, acknowledgements, agreements and undertakings in this Appendix I and further agrees that the provisions of this Appendix I shall survive after completion of the Placing;

32. agrees not to deposit the Placing Stock into any unrestricted depository facility maintained by any depository bank for so long as the Placing Stock are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act;
33. acknowledges that its commitment to subscribe Placing Stock on the terms set out herein and in the trade confirmation will continue notwithstanding any amendment that may in future be made to the terms of the Placing and that Placees will have no right to be consulted or require that their consent be obtained with respect to the Bank's conduct of the Placing; and
34. undertakes that it (and any person acting on its behalf) will make or procure payment for the Placing Stock allocated to it in accordance with this Announcement on the due time and date set out herein, failing which the relevant Placing Stock may be placed with other subscribers or sold as the Placing Agents may in their discretion determine and without liability to such Placee, who will remain liable for any amount by which the net proceeds of such sale falls short of the product of the relevant Placing Price and the number of Placing Stock allocated to it and may be required to bear any stamp duty, stamp duty reserve tax or other similar taxes (together with any interest or penalties) which may arise upon the sale of such Placee's Placing Stock.

Representations and Warranties of US purchasers

Each Placee in the United States and each Placee that is outside the United States and is a US Person (as defined in Regulation S) (and any person acting on such Placee's behalf) will be required to provide a letter as a condition to participating in the Placing, representing and warranting as follows:

1. The Placee is a qualified institutional buyer as defined in Rule 144A (a "QIB") under the Securities Act.
2. The Placee is acquiring the Placing Stock for its own account or for one or more accounts (each of which is a QIB) as to each of which it exercises sole and full investment discretion. The Placee confirms that, to the extent it is purchasing the Placing Stock for the account of one or more other persons, (i) it has been duly authorised to make the representations, warranties, acknowledgements and agreements set forth herein on their behalf, and (ii) the provisions of this letter constitute legal, valid and binding obligations on it and any other person for whose account it is acting.
3. The Placee has not received any "offering memorandum" in connection with the offer or sale of the Placing Stock to it. For the purposes of this paragraph, the term "offering memorandum" means a document purporting to describe the business and affairs of the Bank that was prepared primarily for delivery to and review by a prospective purchaser so as to assist the prospective purchaser to make an investment decision, but excludes a document setting out current information about the Bank for the benefit of a prospective purchaser familiar with the Bank through prior investment or business contacts.
4. The execution, delivery and performance of this Letter and any purchase by the Placee of Placing Stock will not infringe any law or regulation applicable to it (including but not limited to the Securities Act, the US Exchange Act of 1934, the rules and regulations thereunder, the listing rules of the Irish Stock Exchange and / or the UK Listing Authority, including but not limited to

the provisions of such rules relating to compliance with the model code and prohibitions on dealing in securities during close periods).

5. The Placee acknowledges that no person has been authorized to give it any information in connection with the Bank other than a description of the terms of the Placing, that the decision made by it to purchase the Placing Stock was based solely on publicly available information regarding the Bank and not on any other information concerning the Bank or the Placing, and that the distribution of the Placing Stock to it has not been made through, or as a result of, and is not being accompanied by a general solicitation or general advertisement.
6. The Placee, and each other QIB, if any, for whose account it is acquiring the Placing Stock, is a highly sophisticated institutional Placee with extensive knowledge and experience in financial and business matters and expertise in assessing credit and all other relevant risks and that it is capable of evaluating independently, and has evaluated independently and conducted a detailed analysis on, the merits, risks and suitability of entering into the Placing. The Placee acknowledges that it has conducted its own investigation of the Placing Stock and the Bank and is relying exclusively on its own sources of information, investigation, credit and legal analysis, with respect to the Placing and with respect to the Bank, and acknowledges that it fully understands the terms and conditions of the Placing Stock and is not relying on any investigation that the Bank or the Placing Agents or any of their respective affiliates or any person acting on its or their behalf may have conducted with respect to the Placing Stock or the Bank, and that none of such persons has made any representation to it, express or implied, with respect to the Placing Stock or the Bank. The Placee has or has had access to all the information that it believes is necessary or appropriate in connection with its purchase of the Placing Stock.
7. The Placee, and each other QIB, if any, for whose account it is acquiring the Placing Stock, is not acquiring the Placing Stock with a view to any distribution of the Placing Stock. The Placee understands (and each beneficial owner of the Placing Stock has been advised and understands) that, by its purchase or holding of the Placing Stock, it is assuming and is capable of bearing, for an indefinite time, the risk of loss that may occur with respect to the Placing Stock, including the possibility that it may lose all or a substantial portion of its investment in the Placing Stock, and it will not seek to recover from any of the Bank, the Placing Agents or any of their respective affiliates, or any person acting on their behalf, all or part of any such loss or losses it may suffer. The Placee is aware and understands that an investment in Placing Stock involves a considerable degree of risk and no US federal or state or non US agency has made any finding or determination as to the fairness for investment or any recommendation or endorsement of any such investment.
8. The Placee understands and acknowledges (and each beneficial owner of the Placing Stock has been advised, understands and has acknowledged) that the Placing Stock have not been registered under the Securities Act and are being offered and sold to it in a transaction not involving any public offering in the United States within the meaning of the Securities Act and are being offered and sold to the Placee in a transaction that is exempt from the registration requirements of the Securities Act, that the offer and sale of the Placing Stock to it has not been and will not be registered under the Securities Act, and that the Placing Agents and the Bank make no representation as to the availability of any exemption under the Securities Act for the reoffer, resale, pledge or transfer of the Placing Stock. The Placee understands and acknowledges (and each beneficial owner of the Placing Stock has been advised, understands

and acknowledges) that the Placing Stock purchased by it in this offer and sale are restricted securities as defined in Rule 144(a)(3) under the Securities Act. Accordingly, the Placee agrees, on its own behalf and on behalf of any accounts for which it is acting, that for so long as the Placing Stock are restricted securities, it (and they) will offer, sell, pledge or otherwise transfer such Placing Stock only outside the United States or to non US Persons (as defined in Regulation S in accordance with Rule 903 or 904 of Regulation S in compliance with applicable laws, including any applicable securities laws of any state of the United States. The Placee understands and agrees that, although the Placing Stock may be purchased in the United States only by QIBs, or by US Persons outside the United States that are QIBs, such purchases are not being made pursuant to Rule 144A under the Securities Act, and that the Placing Stock are not eligible for resale pursuant to Rule 144A.

9. The Placee has not distributed, forwarded, transferred or otherwise transmitted any presentational or other materials concerning the Security offering (including electronic copies thereof) to any person within the United States (other than to a QIB on behalf of which the Placee acts, if the materials so permit it to do so), and agrees that such materials shall not be so distributed, forwarded, transferred or otherwise transmitted by the Placee.
10. The Placee acknowledges (and each other QIB, if any, for whose account the Placee is acquiring the Placing Stock has acknowledged), that the Placing Agents, the Bank and others will rely upon its representations, warranties, acknowledgements and agreements set forth herein, and it agrees to notify the Placing Agents promptly in writing if any of its representations, warranties, acknowledgements or agreements herein ceases to be accurate and complete. The Placee acknowledges that its acquisition of the Placing Stock is subject to, and based upon, all the terms, conditions, representations, warranties, acknowledgements, agreements and undertakings and other information contained in this letter. The Placee understands that these representations and undertakings are required in connection with US securities laws and irrevocably authorises the Placing Agents and/or the Bank to produce this letter to any interested party in any administrative or legal proceeding or official inquiry with respect to the matters set forth herein.
11. The Placee and any person acting on its behalf has all necessary consents and authorities to enable it to enter into the Placing and to perform its obligations in relation thereto.
12. The Placee undertakes that it will comply with the terms of this Appendix I and ensure the accuracy of the representations, warranties, acknowledgements or agreements from the date of this letter to and including the date of any purchase of the Placing Stock by it or on its behalf.

The representations, warranties, acknowledgements, agreements and undertakings contained in this Appendix I are given to the Placing Agents for themselves and on behalf of the Bank and are irrevocable.

The commitment to subscribe for Placing Stock on the terms set out in this Announcement (including this Appendix I) and in the trade confirmation will continue notwithstanding any amendment that may in future be made to the terms of the Placing and Placees will have no right to be consulted or require that their consent be obtained with respect to the Bank's conduct of the Placing.

The agreement to allot and issue Placing Stock to Placees (and/or the persons for whom such Placee is contracting as agent) free of stamp duty and stamp duty reserve tax relates only to their allotment and

issue to Placees, or such persons as they nominate as their agents, direct from the Bank for the Placing Stock in question. Such agreement assumes, and is based on a warranty from each Placee, that neither it, nor the person specified by it for registration as holder of Placing Stock is, or is acting as nominee or agent for, and that the Placing Stock will not be allotted to, a person who is or may be liable to stamp duty or stamp duty reserve tax under any of sections 67, 70, 93 and 96 of the Finance Act 1986 (depository receipts and clearance services). If there are any such arrangements, or the settlement relates to any other dealing in the Placing Stock, stamp duty or stamp duty reserve tax may be payable. In that event the Placee agrees that it shall be responsible for such stamp duty or stamp duty reserve tax, and neither the Bank nor the Placing Agents shall be responsible for such stamp duty or stamp duty reserve tax. If this is the case, each Placee should seek its own advice and notify the Placing Agents accordingly.

In addition, Placees should note that they will be liable for any stamp duty and all other stamp, issue, securities, transfer, registration, documentary or other duties or taxes (including any interest, fines or penalties relating thereto) payable outside of Ireland or the UK by them or any other person on the acquisition by them of any Placing Stock or the agreement by them to acquire for any Placing Stock.

Each Placee and any person acting on behalf of each Placee acknowledges and agrees that each Placing Agent or any of their affiliates may, at their absolute discretion, agree to become a Placee in respect of some or all of the Placing Stock. Each Placee acknowledges and is aware that the Placing Agents are receiving a fee in connection with their role in respect of the Placing as detailed in the Placing Agreement. Further details are available on request.

Each Placee and any person acting on behalf of the Placee acknowledges that the Placing Agents do not owe any fiduciary or other duties to any Placee in respect of any representations, warranties, undertakings, acknowledgements, agreements or indemnities in the Placing Agreement.

Each Placee and any person acting on behalf of the Placee acknowledges and agrees that each of the Placing Agents may (at its absolute discretion) satisfy its obligations to procure Placees by itself agreeing to become a Placee in respect of some or all of the Placing Stock.

Past performance is no guide to future performance and persons needing advice should consult an independent financial adviser.

All times and dates in this Announcement may be subject to amendment. The Placing Agents shall notify the Placees and any person acting on behalf of the Placees of any changes.

Appendix II: Expected Timetable of Principal Events

7am, 4 December 2013: announcement of Capital Package

By 5pm, 4 December 2013: announcement of the Placing Price and Placing Stock

4 / 5 December 2013: Announcement of results of the 2009 Prefs sale

9 December 2013: Settlement of the Placing, Admission of the Placing Stock and redemption of c.€537 million 2009 Prefs

11 / 12 December 2013: Settlement of Notes Pursuant to 2009 Prefs Private Sector Sale

Appendix III: Definitions

“Announcement”	this announcement.
“Baggot”	Baggot Securities Limited.
“Bank of Ireland” or the “Bank”	The Governor and Company of the Bank of Ireland.
“Capital Package”	(i) the placing of new units of ordinary stock to generate proceeds of c.€537 million (net of expenses), to redeem €537 million of the 2009 Prefs and (ii) the sale by the NPRFC of €1.3 billion 2009 Prefs to private investors.
“JerseyCo”	BOI Holdings (Jersey) Limited, a company incorporated in Jersey.
“Joint Lead Managers”	the Placing Agents and Bank of America Merrill Lynch.
the “Notes”	€1.3 billion 10.24% perpetual non-cumulative notes secured on €1.3 billion the 2009 Prefs.
“NPRFC”	National Pensions Reserve Fund Commission, which is the current holder of all the 2009 Prefs.
the “Placing”	the placing of new units of ordinary stock to generate proceeds of c.€537 million (net of expenses).
“Placee”	means a person (including individuals, funds or others) by whom or on whose behalf a commitment to subscribe for Placing Stock has been given.
“Placing Agents”	Credit Suisse Securities (Europe) Limited, J&E Davy (trading as Davy), UBS Limited and Deutsche Bank AG.
“2009 Prefs” or “2009 Preference Stock”	the perpetual non-cumulative redeemable preference stock of €0.01 each issued by the Bank on 31st March, 2009, credited as fully paid.
“2009 Prefs Private Sector Sale”	the sale by the NPRFC of €1.3 billion 2009 Prefs to private investors.
“Settlement Agent”	UBS Limited, acting as settlement agent in relation to the Placing.
“Step-up”	the terms of the 2009 Prefs provide that they may be reimbursed at the option of the Bank, in whole or in part, at a price per unit equal to the issue price of €1.00

per unit before 31 March 2014 and thereafter at a price per unit of €1.25, such 25% premium being the “step-up”.

“Subscription and Transfer Agreement”

the subscription and transfer agreement entered into between the Bank, JerseyCo and the Settlement Agent dated 4 December 2013 in respect of the subscription for and transfer of no par value redeemable preference shares in JerseyCo.

Appendix IV: Other Information

At the time of the original issuance of the 2009 Prefs to the NPRFC in 2009, when the NPRFC was not a related party of the Bank under the Listing Rules of the UK Listing Authority and the Irish Stock Exchange, the Bank entered into an agreement with the NPRFC whereby the Bank would, on request and at its own expense, do and execute all necessary acts and documents considered necessary to effect and /or facilitate any secondary sale of the 2009 Prefs to third parties. Stockholder approval is not required.

Baggot is owned in trust and administered by a trustee, independent of the Bank and the NPRFC and proceeds of the Notes, which in turn are to be used to purchase the 2009 Prefs will be funded from investors and not from the Bank. The Notes will be secured, *inter alia*, on the 2009 Prefs held by Baggot but there will be no recourse to the Bank in respect of the liabilities of Baggot to the holders of Notes. The Bank will not be a co-issuer or guarantor of the Notes.

In connection with the issue of the Notes, Credit Suisse Securities (Europe) Limited as stabilising manager (the "Stabilising Manager") (or person(s) acting on behalf of the Stabilising Manager) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager (or persons acting on behalf of the Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the Notes and 60 days after the date of the allotment of the Notes. Any stabilisation action or over-allotment must be conducted by the Stabilising Manager (or persons acting on behalf of the Stabilising Manager) in accordance with all applicable laws and rules.

This Announcement does not constitute an offer of securities and it is not a prospectus or a prospectus "equivalent" document. A prospectus prepared pursuant to Directive 2003/71/EC is intended to be published in relation to the Notes to be issued by Baggot (but not in relation to the Placing of the Placing Stock), which, if published, can be obtained in accordance with the applicable rules.

This Announcement is for information only and not an offer of securities for sale, or a solicitation of an offer to buy securities, in the United States or any other jurisdiction where to do so would be unlawful and the 2009 Prefs, the Notes and the Placing Stock may not be offered or sold in the United States absent registration under the Securities Act or an exemption from registration under the Securities Act. This Announcement has been issued by and is the sole responsibility of the Bank.

This Announcement is not for publication, distribution or release, directly or indirectly, in or into the United States (including its territories and dependencies, any State of the United States and the District of Columbia). Neither the 2009 Prefs nor the Notes nor the Placing Stock nor any other securities referred to herein have been or will be registered under the Securities Act, and may not be offered or sold in the United States or to, or for the account or benefit of, US persons except subject from an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Neither this Announcement nor the information contained herein constitutes or forms part of an offer to sell or the solicitation of an offer to buy securities in the United States. There will be no public offer of any securities in the United States or in any other jurisdiction.

The distribution in the United Kingdom of this Announcement and any marketing materials relating to the Notes (A) if effected by a person who is not an authorised person under FSMA, is being addressed to, or directed at, only the following persons: (i) persons who are Investment Professionals as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “Financial Promotion Order”), and (ii) persons falling within any of the categories of persons described in Article 49(2) (High net worth companies, unincorporated associations, etc.) of the Financial Promotion Order; and (B) if effected by a person who is an authorised person under the FSMA, is being addressed to, or directed at, only the following persons: (i) persons falling within one of the categories of Investment Professional as defined in Article 14(5) of the Financial Services and Markets Act 2000 (Promotion of Collective Investment Schemes) (Exemptions) Order 2001 (the Promotion of CISs Order), (ii) persons falling within any of the categories of person described in Article 22(a)-(d) (High net worth companies, unincorporated associations, etc.) of the Promotion of CISs Order and (iii) any other person to whom it may otherwise lawfully be made in accordance with the Promotion of CIS Order. Persons of any other description in the United Kingdom may not receive and should not act or rely on this Announcement or any marketing materials in relation to the Notes.

Potential investors in the United Kingdom in the Notes are advised that all, or most, of the protections afforded by the United Kingdom regulatory system will not apply to an investment in the Notes and that compensation will not be available under the United Kingdom Financial Services Compensation Scheme.

The distribution of this Announcement and the offering of the Placing Stock, the 2009 Prefs and the Notes in certain jurisdictions may be restricted by law. No action has been taken by the Bank or the Placing Agents that would permit an offering of such Placing Stock, 2009 Prefs or Notes or possession or distribution of this Announcement or any other offering or publicity material relating to such Placing Stock, 2009 Prefs or Notes in any jurisdiction where action for that purpose is required. Persons into whose possession this Announcement comes are required by the Bank and the Placing Agents to inform themselves about, and to observe, such restrictions.

The price of Placing Stock, 2009 Prefs and the Notes and any income from them may go down as well as up and investors may not get back the full amount invested on disposal of such Placing Stock, 2009 Prefs or Notes.

Neither the content of the Bank’s website nor any website accessible by hyperlinks on the Bank’s website is incorporated in, or forms part of, this Announcement.

MEMBERS OF THE PUBLIC ARE NOT ELIGIBLE TO TAKE PART IN THE PLACING OR THE 2009 Prefs PRIVATE SECTOR SALE. THIS ANNOUNCEMENT (INCLUDING THE APPENDICES) AND THE TERMS AND CONDITIONS SET OUT HEREIN ARE FOR INFORMATION PURPOSES ONLY AND ARE DIRECTED ONLY AT: (A) PERSONS IN MEMBER STATES OF THE EUROPEAN ECONOMIC AREA WHO ARE QUALIFIED INVESTORS (AS DEFINED IN ARTICLE 2(1)(E) OF EU DIRECTIVE 2003/71/EC (THE “**PROSPECTUS DIRECTIVE**”)); (B) PERSONS IN THE UNITED KINGDOM WHO ARE QUALIFIED INVESTORS AND PERSONS WHO ARE (I) INVESTMENT PROFESSIONALS FALLING WITHIN ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005 (THE “**ORDER**”); (II) PERSONS FALLING WITHIN ARTICLE 49(2)(A) TO (D) (“**HIGH NET WORTH COMPANIES, UNINCORPORATED ASSOCIATIONS, ETC**”) OF THE ORDER; OR (III) PERSONS TO WHOM IT MAY OTHERWISE BE LAWFULLY COMMUNICATED (ALL SUCH PERSONS IN (A) AND (B) TOGETHER BEING REFERRED TO AS “**RELEVANT PERSONS**”). THIS ANNOUNCEMENT (INCLUDING THE APPENDICES) AND THE TERMS AND CONDITIONS SET OUT HEREIN MUST NOT BE ACTED ON OR RELIED ON BY PERSONS WHO ARE NOT RELEVANT PERSONS. ANY

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