

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to what action you should take, you are recommended to consult immediately, in the case of Stockholders resident in Ireland, an organisation or firm authorised or exempted pursuant to the European Communities (Markets in Financial Instruments) Regulations (Nos. 1 to 3) 2007 or the Investment Intermediaries Act 1995 and, in the case of Stockholders resident in the United Kingdom, a firm authorised under the Financial Services and Markets Act 2000 (“FSMA”) or another appropriately authorised adviser if you are in a territory outside Ireland or the United Kingdom.

This document (the “Supplementary Prospectus”), which has been prepared pursuant to regulation 51 of the Prospectus Regulations, is supplemental to, and should be read in conjunction with, the prospectus published by the Bank on 18 June 2011 (the “Original Prospectus”).

IF YOU ARE A US PERSON WHEREVER LOCATED OR ARE LOCATED IN THE UNITED STATES, SUBJECT TO VERY LIMITED EXCEPTIONS, THIS SUPPLEMENTARY PROSPECTUS, THE ORIGINAL PROSPECTUS AND THE OFFERS DESCRIBED HEREIN ARE NOT INTENDED FOR YOU, AND YOU SHOULD DISCARD THIS SUPPLEMENTARY PROSPECTUS AND THE ORIGINAL PROSPECTUS AND MAY NOT ACCEPT ANY OFFERS DESCRIBED HEREIN.

Bank of Ireland Group

The Governor and Company of the Bank of Ireland

(Established in Ireland by Charter in 1783 and having limited liability with registered no. C-1)

SUPPLEMENTARY PROSPECTUS

Proposed Rights Issue of up to 43,500,000,000 units of New Ordinary Stock at €0.10 per unit of New Ordinary Stock and Admission of the New Ordinary Stock

Proposed State Placing of up to 794,912,043 units of New Ordinary Stock at €0.10 per unit of New Ordinary Stock

IBI Corporate Finance	Credit Suisse	Davy	UBS Investment Bank	Deutsche Bank
<i>Joint Transaction Co-ordinator and Joint Financial Adviser</i>	<i>Joint Transaction Co-ordinator, Joint Bookrunner and Joint Financial Adviser</i>	<i>Joint Broker, Joint Bookrunner, Irish Sponsor and Joint UK Sponsor</i>	<i>Joint Broker, Joint Bookrunner and Joint UK Sponsor</i>	<i>Joint Bookrunner</i>

The State Placing and the Rights Issue involve risks. See “Risk Factors” beginning on page 26 of the Original Prospectus, as amended by this Supplementary Prospectus.

You should read the whole of this Supplementary Prospectus, the Original Prospectus and any documents incorporated by reference into the Original Prospectus (a list is set out in paragraph 20 (Documents incorporated by reference) of Part XVIII (Additional Information) of the Original Prospectus). Your attention is drawn in particular to the letter from the Governor of Bank of Ireland which is set out in Part VII (Letter from the Governor of Bank of Ireland) of the Original Prospectus, as updated by this Supplementary Prospectus. Qualifying Stockholders and any other persons contemplating a purchase of Nil Paid Rights, Fully Paid Rights or New Ordinary Stock should review the risk factors set out in Part II (Risk Factors) of the Original Prospectus, as updated by this Supplementary Prospectus, for a discussion of certain factors that should be considered when deciding on what action to take in relation to the Rights Issue and deciding whether or not to purchase Nil Paid Rights, Fully Paid Rights or New Ordinary Stock.

The distribution of this Supplementary Prospectus, the Original Prospectus or any documents issued by the Bank in connection with the State Placing, the Rights Issue, and/or the transfer of and/or Admission of (as the case may be) the Nil Paid Rights, the Fully Paid Rights, the New Ordinary Stock and the Debt for Equity Stock into jurisdictions other than Ireland and the United Kingdom may be restricted by law and therefore persons into whose possession this Supplementary Prospectus, the Original Prospectus or any other documents issued by the Bank in connection

with the State Placing, the Rights Issue and/or the transfer of and/or Admission of (as the case may be) the Nil Paid Rights, the Fully Paid Rights, the New Ordinary Stock and the Debt for Equity Stock comes should inform themselves about and observe such restrictions. Any failure to comply with any such restrictions may constitute a violation of the securities laws or regulations of such jurisdictions. In particular, subject to certain very limited exceptions, this Supplementary Prospectus, the Original Prospectus or any other documents issued by the Bank in connection with the State Placing, the Rights Issue and/or the transfer of and/or Admission of (as the case may be) the Nil Paid Rights, the Fully Paid Rights, the New Ordinary Stock or the Debt for Equity Stock should not be distributed, forwarded to or transmitted in any Excluded Territories including the United States or to any US Person wherever located. The Nil Paid Rights, the Fully Paid Rights, the Provisional Allotment Letters, and/or the New Ordinary Stock are not transferable, except in accordance with, and the distribution of this Supplementary Prospectus, the Original Prospectus or any other documents issued by the Bank in connection with the Rights Issue is subject to, the restrictions set out in paragraph 2.5 (Overseas Stockholders) of Part IX (Terms and Conditions of the Rights Issue) of the Original Prospectus.

All Overseas Stockholders and any person (including, without limitation, agents, custodians, nominees or trustees) who has a contractual or other legal obligation to forward this Supplementary Prospectus, the Original Prospectus or any documents issued by the Bank in connection with the State Placing, the Rights Issue and/or the transfer of and/or Admission of (as the case may be) the Nil Paid Rights, the Fully Paid Rights, the New Ordinary Stock and the Debt for Equity Stock if and when received, to a jurisdiction outside Ireland and the United Kingdom should read paragraph 2.5 (Overseas Stockholders) of Part IX (Terms and Conditions of the Rights Issue) of the Original Prospectus.

Neither this Supplementary Prospectus nor the Original Prospectus constitutes or forms part of any offer or invitation to purchase, otherwise acquire, subscribe for, sell, otherwise dispose of or issue, or any solicitation of any offer to sell, otherwise dispose of, issue, purchase, otherwise acquire or subscribe for, any security, in any jurisdiction in which such an offer, an invitation or a solicitation is unlawful.

This Supplementary Prospectus has been drawn up in accordance with regulation 51 of the Prospectus Regulations. This Supplementary Prospectus has been approved by the Central Bank, as competent authority under the Prospectus Directive 2003/71/EC. The Central Bank only approves this Supplementary Prospectus as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive 2003/71/EC. Such approval relates only to New Ordinary Stock, Nil Paid Rights and Fully Paid Rights which are to be admitted to trading on the regulated market of the Irish Stock Exchange or other regulated markets for the purposes of Directive 2004/39/EC or which are to be offered to the public in any member state of the European Economic Area. This Supplementary Prospectus has been made available to the public in Ireland in accordance with Part 8 of the Prospectus Regulations by the same being made available, free of charge, in electronic form on the Bank's website www.bankofireland.com and in printed format until 29 July 2011 at the Bank's registered office details of which are set out in Part VI (Directors, Group Secretary, Registered Office and Advisers) of the Original Prospectus. The Bank has requested that the Central Bank provides a certificate of approval and a copy of this Supplementary Prospectus to the competent authority, for the purposes of the Prospectus Directive 2003/71/EC, in the United Kingdom.

Investors should only rely on the information contained in this Supplementary Prospectus, the Original Prospectus and the documents incorporated in the Original Prospectus by reference. No person has been authorised to give any information or make any representations other than those contained in this Supplementary Prospectus and the Original Prospectus and, if given or made, such information or representations must not be relied upon as having been so authorised. Subject to Irish Prospectus Law, the Prospectus Regulations, the Listing Rules, the Market Abuse Regulations and the Transparency Regulations, neither the publication of this Supplementary Prospectus, the Original Prospectus nor any acquisition of any security made under them shall, in any circumstances, create any implication that there has been no change in the affairs of the Group since the date of this Supplementary Prospectus (in the case of information in this Supplementary Prospectus) or the date of the Original Prospectus (in the case of information in the Original Prospectus, save as amended or updated by this Supplementary Prospectus), or that the information in them or incorporated by reference (in the case of the Original Prospectus) is correct as of any date subsequent to the date of this Supplementary Prospectus (in the case of information in this Supplementary Prospectus) or subsequent to the date of the Original Prospectus (in the case of information in the Original Prospectus, save as amended or updated by this Supplementary Prospectus). The Bank will comply with its obligation to publish a supplementary prospectus containing further updated information required by law or by any regulatory authority but assumes no further obligation to publish additional information, subject to Irish Prospectus Law, the Prospectus Regulations, the Listing Rules, Market Abuse Regulations and the Transparency Regulations.

This Supplementary Prospectus and the Original Prospectus are intended for use in connection with offers and sales and/or admission to trading, as the case may be, of the Nil Paid Rights, the Fully Paid Rights and the New Ordinary Stock outside the United States and any other Excluded Territory and must not be sent or given to any US Person or to any person within the United States or any other Excluded Territory. The Nil Paid Rights, the Fully Paid Rights, the New Ordinary Stock and the Debt for Equity Stock have not been and will not be registered under the US Securities Act or under any securities laws of any state or other jurisdiction of the United States, or any other Excluded Territory, and may not be taken up, exercised or renounced by, or offered, sold, resold or renounced by, or transferred, delivered, directly or indirectly, to any US Person or within the United States or any other Excluded Territory, except pursuant to an applicable exemption from the registration

requirements of the US Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States or any other Excluded Territory. There will be no public offer in any Excluded Territory.

The Bank and the Directors whose names and positions are set out in Part 2 (Directors Profiles) of Part XVII (Directors, Corporate Governance and Employees) of the Original Prospectus, accept responsibility for the information contained in this Supplementary Prospectus and to the best of the knowledge of the Bank and the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this Supplementary Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

None of the Minister for Finance, the Department of Finance, the Irish Government, the NTMA, the NPRFC, or any person controlled by or controlling any such person, or any entity or agency of or related to the State, or any director, commissioner, officer, official, employee or adviser (including without limitation legal and financial advisers) of any such person (each such person, a "Relevant Person") accepts any responsibility for the contents of, or makes any representation or warranty as to the accuracy, completeness or fairness of any information in, this Supplementary Prospectus or any document referred to in this Supplementary Prospectus or any supplement or amendment thereto (each a "Transaction Document"). Each Relevant Person expressly disclaims any liability whatsoever for any loss howsoever arising from, or in reliance upon, the whole or any part of the contents of any Transaction Document. No Relevant Person has authorised or will authorise the contents of any Transaction Document, or has recommended or endorsed the merits of the offering of securities or any other course of action contemplated by any Transaction Document.

IBI Corporate Finance, which is regulated in Ireland by the Central Bank, is acting exclusively for the Bank as joint transaction co-ordinator and joint financial adviser and no one else in relation to the matters contained in this Supplementary Prospectus and/or the Original Prospectus and will not regard any other person (including the recipients of this Supplementary Prospectus and/or the Original Prospectus) as a client, nor be responsible to anyone other than the Bank for providing the protections afforded to its customers or for providing advice in relation to the matters referred to in this Supplementary Prospectus and/or the Original Prospectus. Apart from the responsibilities and liabilities, if any, which may be imposed by the Central Bank or any applicable Irish law, IBI Corporate Finance makes no representation, express or implied, with respect to the accuracy, verification or completeness of any information contained in this Supplementary Prospectus and/or the Original Prospectus and accepts no responsibility for, nor does it authorise, the contents of this Supplementary Prospectus and/or the Original Prospectus or their publication, including without limitation under section 41 of the Investment Funds, Companies and Miscellaneous Provisions Act 2005, or Regulation 31 of the Prospectus Regulations, or any other statement made or purported to be made by the Bank or IBI Corporate Finance, or on behalf of either of them, in connection with the arrangements described in this Supplementary Prospectus and/or the Original Prospectus, and accordingly disclaims all and any liability whatsoever whether arising out of tort, contract or otherwise which it might otherwise have to any person, other than the Bank, in respect of this Supplementary Prospectus and/or the Original Prospectus or any other statement.

Credit Suisse Securities (Europe) Limited (which is authorised and regulated in the United Kingdom by the Financial Services Authority) is acting exclusively for the Bank as joint transaction co-ordinator, joint bookrunner and joint financial adviser and no one else in relation to the matters contained in this Supplementary Prospectus and/or the Original Prospectus and will not regard any other person (including the recipients of this Supplementary Prospectus and/or the Original Prospectus) as a client, nor be responsible to anyone other than the Bank for providing the protections afforded to its customers or for providing advice in relation to the matters referred to in this Supplementary Prospectus and/or the Original Prospectus. Apart from the responsibilities and liabilities, if any, which may be imposed by the Central Bank, the Financial Services Authority, or the FSMA, Credit Suisse Securities (Europe) Limited makes no representation, express or implied, with respect to the accuracy, verification or completeness of any information contained in this Supplementary Prospectus and/or the Original Prospectus and accepts no responsibility for, and does not authorise, the contents of this Supplementary Prospectus and/or the Original Prospectus or their publication, including without limitation under section 41 of the Investment Funds, Companies and Miscellaneous Provisions Act 2005 or Regulation 31 of the Prospectus Regulations, or any other statement made or purported to be made by the Bank or Credit Suisse Securities (Europe) Limited, or on behalf of either of them, in connection with the arrangements described in this Supplementary Prospectus and/or the Original Prospectus, and accordingly disclaims all and any liability whatsoever whether arising out of tort, contract or otherwise which it might otherwise have to any person, other than the Bank, in respect of this Supplementary Prospectus and/or the Original Prospectus or any other statement.

J&E Davy (which is regulated in Ireland by the Central Bank) is acting exclusively for the Bank as joint broker, joint bookrunner, Irish sponsor and joint UK sponsor and no one else in relation to the matters contained in this Supplementary Prospectus and/or the Original Prospectus and will not regard any other person (including the recipients of this Supplementary Prospectus and/or the Original Prospectus) as a client, nor be responsible to anyone other than the Bank for providing the protections afforded to its customers or for providing advice in relation to the matters referred to in this Supplementary Prospectus and/or the Original Prospectus. Apart from the responsibilities and liabilities, if any, which may be imposed by the Central Bank, the Financial Services Authority, or the FSMA, Davy makes no representation, express or implied, with respect to the accuracy, verification or completeness of any information contained in this Supplementary Prospectus and/or the Original Prospectus and accepts no responsibility for, nor does it authorise, the contents of this Supplementary Prospectus and/or the Original Prospectus or their publication, including without limitation under section 41 of the Investment Funds, Companies and Miscellaneous Provisions Act 2005, or Regulation 31 of the Prospectus

Regulations or any other statement made or purported to be made by the Bank or Davy, or on behalf of either of them, in connection with the arrangements described in this Supplementary Prospectus and/or the Original Prospectus, and accordingly disclaims all and any liability whatsoever whether arising out of tort, contract or otherwise which it might otherwise have to any person, other than the Bank, in respect of this Supplementary Prospectus and/or the Original Prospectus or any other statement.

UBS Limited (which is authorised and regulated in the United Kingdom by the Financial Services Authority) is acting exclusively for the Bank as joint broker, joint bookrunner and joint UK sponsor and no one else in relation to the matters contained in this Supplementary Prospectus and/or the Original Prospectus and will not regard any other person (including the recipients of this Supplementary Prospectus and/or the Original Prospectus) as a client, nor be responsible to anyone other than the Bank for providing the protections afforded to its customers or for providing advice in relation to the matters referred to in this Supplementary Prospectus and/or the Original Prospectus. Apart from the responsibilities and liabilities, if any, which may be imposed by the Central Bank, the Financial Services Authority or the FSMA, UBS Limited makes no representation, express or implied, with respect to the accuracy, verification or completeness of any information contained in this Supplementary Prospectus and/or the Original Prospectus and accepts no responsibility for nor does it authorise, the contents of this Supplementary Prospectus and/or the Original Prospectus or their publication, including without limitation under section 41 of the Investment Funds, Companies and Miscellaneous Provisions Act 2005 or Regulation 31 of the Prospectus Regulations, or any other statement made or purported to be made by the Bank or UBS, or on behalf of either of them, in connection with the arrangements described in this Supplementary Prospectus and/or the Original Prospectus, and accordingly disclaims all and any liability whatsoever whether arising out of tort, contract or otherwise which it might otherwise have to any person, other than the Bank, in respect of this Supplementary Prospectus and/or the Original Prospectus or any other statement.

Deutsche Bank AG (which is authorised under German banking law (competent authority: BaFin—Federal Financial Supervisory Authority) and authorised and subject to limited regulation by the Financial Services Authority) is acting exclusively for the Bank as joint bookrunner and no one else in relation to the matters contained in this Supplementary Prospectus and/or the Original Prospectus and will not regard any other person (including the recipients of this Supplementary Prospectus and/or the Original Prospectus) as a client, nor be responsible to anyone other than the Bank for providing the protections afforded to its customers or for providing advice in relation to the matters referred to in this Supplementary Prospectus and/or the Original Prospectus. Apart from the responsibilities and liabilities, if any, which may be imposed by the Central Bank, the Financial Services Authority or the FSMA, Deutsche Bank makes no representation, express or implied, with respect to the accuracy, verification or completeness of any information contained in this Supplementary Prospectus and/or the Original Prospectus and accepts no responsibility for nor does it authorise, the contents of this Supplementary Prospectus and/or the Original Prospectus or their publication, including without limitation under section 41 of the Investment Funds, Companies and Miscellaneous Provisions Act 2005 or Regulation 31 of the Prospectus Regulations, or any other statement made or purported to be made by the Bank or Deutsche Bank, or on behalf of either of them, in connection with the arrangements described in this Supplementary Prospectus and/or the Original Prospectus, and accordingly disclaims all and any liability whatsoever whether arising out of tort, contract or otherwise which it might otherwise have to any person, other than the Bank, in respect of this Supplementary Prospectus and/or the Original Prospectus or any other statement.

Your attention is drawn to the section entitled “FORWARD-LOOKING STATEMENTS” in Part III (Other Important Information) of the Original Prospectus which should be read as applying to any “forward-looking statements” regarding the belief or current expectations of the Group, the Directors and other members of its senior management about the Group’s financial condition, results of operations and business and the transactions described in this Supplementary Prospectus.

This Supplementary Prospectus is dated 8 July 2011.

SUPPLEMENTARY INFORMATION TO THE ORIGINAL PROSPECTUS

1. Introduction

This document (the “Supplementary Prospectus”), which has been prepared pursuant to regulation 51 of the Prospectus Regulations, is supplemental to, and should be read in conjunction with, the prospectus published by the Bank on 18 June 2011 (the “Original Prospectus”). Any statement contained in the Original Prospectus shall be deemed to be modified or superseded to the extent that a statement contained in this Supplementary Prospectus modifies or supersedes such statement. Unless otherwise specified, capitalised terms in this Supplementary Prospectus have the meanings ascribed to them in the Original Prospectus.

2. Background to this Supplementary Prospectus

Eligible Debt Securities having a nominal value of approximately €0.60 billion will remain outstanding following the announcement of the results of the Debt for Equity Offers today, including €0.18 billion outstanding in respect of the Canadian Dollar 2015 Notes and 13.375% Unsecured Perpetual Subordinated Bonds (the “13.375% Bonds”). The Bank intends to complete the Debt for Equity Offer for the Canadian Dollar 2015 Notes by 8 August 2011 and to undertake a new offer in respect of the 13.375% Bonds in due course (together the “Remaining LME Offers”).

The Bank expects that €0.51 billion in Core Tier 1 Capital will be generated from a combination of the Remaining LME Offers and the further burden sharing with bondholders anticipated by the Minister in his announcement of 31 May 2011 (the “Further Capital Raising Measures”). The Central Bank has extended the deadline from 31 July 2011 to 31 December 2011 for the generation of this capital to facilitate the completion of the Further Capital Raising Measures and, as a consequence, it is not necessary to raise this capital through the Rights Issue.

The Directors confirm that should the Further Capital Raising Measures generate less Core Tier 1 Capital than expected, requiring the generation of further equity capital, the Directors expect that such equity would be raised in a manner which would provide Ordinary Stockholders the opportunity to participate in the capital raising at the same price per stock unit as any stock the State would acquire in such capital raising and pro rata to their stockholding in the Bank.

Since this expectation has been confirmed only as of the date of this Supplementary Prospectus, it was not referred to in the Original Prospectus. This Supplementary Prospectus has been published to supplement and update the Original Prospectus for this development.

3. Amendments to the Original Prospectus

This Supplementary Prospectus amends the Original Prospectus by the deletion of the following:

- the second last paragraph under the heading “Key Implications of the Proposals for investors and Stockholders” in paragraph 1 (Introduction) of Part I (Summary) of the Original Prospectus;
- the second last paragraph under risk factor entitled “*Even if the Proposals are implemented, or the results of the burden sharing exercise are not as expected, there is a risk of increased ownership in the Bank by the Government, including possible majority ownership or nationalisation and consequent ineligibility for listing.*” in Part II (Risk Factors) of the Original Prospectus; and
- the second last paragraph under the heading “Key Implications of the Proposals for investors and Stockholders” in paragraph 1 (Introduction) of Part VII (Letter from the Governor of Bank of Ireland) of the Original Prospectus,

and the insertion of the following in each of their respective places:

“In these circumstances, the Minister would have a number of options to ensure that the remaining Core Tier 1 Capital is generated prior to the expiration of the extended deadline of 31 December 2011 set by the Central Bank for the generation of this capital, including seeking alternative measures for

burden sharing with bondholders through the introduction of new or amending legislation (subject to the statutory requirements in place, if any, at the relevant time being satisfied) or otherwise or requiring the generation of further capital in a manner which would provide Ordinary Stockholders the opportunity to participate in such a capital raising at the same price per stock unit as the State and pro rata to their stockholding in the Bank, in each case prior to the expiration of the 31 December 2011 extended deadline. These eventualities could result in significant dilution of Stockholders' proportionate holdings in the Bank (in particular where Ordinary Stockholders do not exercise their pro-rata participation rights) and may also result in an insufficient number of units of Ordinary Stock being in public hands in addition to other potential breaches of the Bank's continuing obligations under the Listing Rules which would result in ineligibility for listing. Delisting would adversely impact the marketability and liquidity of the units of Ordinary Stock and may adversely impact their value."

Save for the new factors disclosed in this Supplementary Prospectus, there have been no significant new factors, material mistakes or inaccuracies relating to the information included in the Original Prospectus.

4. Withdrawal rights

Since the offer of Nil Paid Rights, Fully Paid Rights and New Ordinary Stock constituted in the Original Prospectus is not capable of acceptance as at the date of this Supplementary Prospectus, statutory withdrawal rights pursuant to regulation 52 of the Prospectus Regulations relating to the offer of Nil Paid Rights, Fully Paid Rights and New Ordinary Stock will not arise following the publication by the Bank of this Supplementary Prospectus.

5. Responsibility Statement

The Bank and the Directors whose names and positions are set out in paragraph 2 (Directors' Profiles) of Part XVII (Directors, Corporate Governance and Employees) of the Original Prospectus, accept responsibility for the information contained in this Supplementary Prospectus and to the best of the knowledge of the Bank and the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this Supplementary Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

6. Documents available for inspection

In addition to those documents set out in paragraph 19 (Documents available for inspection) of Part XVIII (Additional Information) of the Original Prospectus, paper copies of this Supplementary Prospectus will be available for inspection at the following addresses during normal business hours on each Business Day from the date of this Supplementary Prospectus up to 29 July 2011:

- the registered offices of the Bank at Bank of Ireland, 40 Mespil Road, Dublin 4, Ireland; and
- the Bank's offices at Bow Bells House, 1 Bread Street, London EC4M 9BE, England.

They will also be available for inspection at O'Reilly Hall, UCD, Belfield, Dublin 4 from at least 15 minutes prior to the Extraordinary General Court until the conclusion of that meeting.

Dated: 8 July 2011