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11 July 2011



**EXCHANGE OFFERS AND CONSENT SOLICITATIONS**

**EXCHANGE OFFER CONDITIONS ANNOUNCEMENT**

THE GOVERNOR AND COMPANY OF THE BANK OF IRELAND (THE "BANK") ANNOUNCES THE SATISFACTION OF THE EXCHANGE OFFER CONDITIONS RELATING TO ITS EXCHANGE OFFER AND CONSENT SOLICITATIONS ANNOUNCED ON 8 JUNE 2011 (THE "EXCHANGE OFFERS").

This announcement is the Exchange Offer Conditions Announcement.

**Exchange Offer Conditions**

The terms of the Exchange Offers provide that the issue of Allotment Instruments in the Option 1 Settlement (involving Allotment Instruments convertible into Ordinary Stock) is conditional upon the satisfaction or waiver of the Exchange Offer Conditions. The Bank confirms that the Exchange Offer Conditions have been satisfied and, accordingly, the Option 1 Settlement shall proceed.

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**OFFER RESTRICTIONS**

*This announcement does not constitute an offer of any securities for any purpose.*

*The Exchange Offers are not available to, and do not constitute an offer or an invitation to participate in the Exchange Offers in any jurisdiction in or from which, or to any person to whom, it is unlawful to make such offer or invitation under applicable laws. No Offer is being made to or may be accepted by any person or entity who is (a) located in the United States or (b) a U.S. Person (as defined in Regulation S under the United States Securities Act of 1933), other than entities who are Qualified Institutional Buyers (as defined in Rule 144A under the Securities Act).*

**None of the securities referred to above, including the Ordinary Stock and the Allotment Instruments, have been, and nor will they be, registered under the Securities Act or the securities laws of any state or jurisdiction of the United States, and none of the securities referred to above may be offered, sold or delivered, directly or indirectly, in the United States or to U.S. Persons absent an applicable exemption from the registration requirements of the Securities Act.**

The Exchange Offers are being made, and any Allotment Instruments (which will convert into ordinary stock of the Bank) are being offered and will be issued, only to persons (i) that are persons other than "U.S. Persons", as that term is defined in Regulation S under the United States Securities Act of 1933 (as amended, the "**Securities Act**"), in offshore transactions in reliance upon Regulation S under the Securities Act or (ii) that are "Qualified Institutional Buyers", as that term is defined in rule 144A under the Securities Act, in a private transaction in reliance upon an exemption from the registration requirements of the Securities Act or (together "**Eligible Holders**"). Only Eligible Holders are authorised to participate in the Exchange Offers.

None of the Allotment Instruments, the ordinary stock or the securities referred to above have been or will be registered under the Securities Act, or any state securities laws. Accordingly, the Allotment Instruments and ordinary stock will be subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the Securities Act and other applicable securities laws, pursuant to an exemption from registration. Registration rights will not be granted in favour of the Allotment Instruments or ordinary stock. Ordinary stock acquired upon conversion of the Allotment Instruments may not, without the Bank's consent, be deposited into any depository facility for ordinary stock of the Bank, other than a restricted depository receipt, established or maintained by a depository bank (including the Bank's ADR facility pursuant to which The Bank of New York Mellon Corporation acts as the depository bank) until the date that is at least one year after the relevant settlement date (subject to the terms of the applicable deposit agreement) and may not be offered, sold, pledged or otherwise transferred except outside the United States in accordance with Rule 903 or Rule 904 of Regulation S.

None of the U.S. Securities and Exchange Commission, any state securities commission, the Federal Deposit Insurance Corporation, the Board of Governors of the Federal Reserve System nor any other regulatory body has approved or disapproved of any of the Exchange Offers or of the securities to be issued in the Exchange Offers or determined if any of the documents or materials relating to the Exchange Offers is truthful or complete. Any representation to the contrary is a criminal offence.

The distribution of this announcement and any other documents or materials relating to the Exchange Offers in certain jurisdictions may be restricted. Persons into whose possession this announcement comes are required to inform themselves about and to observe any such restrictions. This announcement and any other documents or materials relating to the Exchange Offers do not constitute, and may not be used for the purpose of, an offer or solicitation to the public or to anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

*Note: None of the Minister for Finance, the Department of Finance, the Irish Government, the National Pensions Reserve Fund Commission, the National Treasury Management Agency or any person controlled by or controlling any such person, or any entity or agency of or related to the Irish State, or any director, officer, official, employee or adviser (including without limitation legal and financial advisors) 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 announcement or any document referred to in this announcement 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.*