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28 June 2011



**TERMINATION OF EXCHANGE OFFER AND CONSENT SOLICITATION
FOR THE
£75,000,000 13.375 PER CENT. UNSECURED PERPETUAL SUBORDINATED BONDS OF THE
GOVERNOR AND COMPANY OF THE BANK OF IRELAND
(IN SUBSTITUTION FOR BRISTOL & WEST PLC)**

THE GOVERNOR AND COMPANY OF THE BANK OF IRELAND ANNOUNCES THE TERMINATION OF THE EXCHANGE OFFER AND CONSENT SOLICITATION IN RESPECT OF ITS £75,000,000 13.375 PER CENT. UNSECURED PERPETUAL SUBORDINATED BONDS (ISIN: GB0000510312). THE TERMS OF THE OFFERS IN RELATION TO ALL THE OTHER SERIES OF SECURITIES LISTED IN THE CONSENT AND EXCHANGE OFFER MEMORANDUM REMAIN AS DESCRIBED IN THE CONSENT AND EXCHANGE OFFER MEMORANDUM.

Background

On 8 June 2011 The Governor and Company of the Bank of Ireland (the "Bank") announced an invitation to holders of the £75,000,000 13.375 per cent. Unsecured Perpetual Subordinated Bonds (ISIN: GB0000510312) to offer to exchange their 13.375 per cent. Unsecured Perpetual Subordinated Bonds for cash or allotment instruments (the "Exchange Offers"). In conjunction with the Exchange Offers, the holders of the £75,000,000 13.375 per cent. Unsecured Perpetual Subordinated Bonds were invited to consent to certain modifications to the terms of their 13.375 per cent. Unsecured Perpetual Subordinated Bonds (the "Consent Solicitations" and, together with the Exchange Offers, the "Offers").

The full terms and conditions of the Offers are set out in the Consent and Exchange Offer Memorandum dated 8 June 2011, which has been available to eligible holders from Lucid Issuer Services Limited at the details set out below.

The £75,000,000 13.375 per cent. Unsecured Perpetual Subordinated Bonds are issued in registered form. The register of Bondholders maintained by Capita Registrars Limited on behalf of the Bank shows that a significant number of the holders of the £75,000,000 13.375 per cent. Unsecured Perpetual Subordinated Bonds still hold their 13.375 per cent. Unsecured Perpetual Subordinated Bonds in certificated form outside the Clearing Systems. At the close of business on 24 June 2011 holders of approximately 12 per cent of the £75,000,000 13.375 per cent. Unsecured Perpetual Subordinated Bonds had submitted valid Exchange Instructions pursuant to the Exchange Offers. This contrasts with an overall participation level to date of approximately 74 per cent. of eligible holders across all other Series of Existing Securities which are the subject of the offers relating to those Existing Securities. The Bank has previously recognised that holders holding their 13.375 per cent. Unsecured Perpetual Subordinated Bonds outside the Clearing Systems may find it difficult to participate efficiently in the Exchange Offers in the manner specified in the Consent and Exchange Offer Memorandum. The Bank understands that some holders of the £75,000,000 13.375 per cent. Unsecured Perpetual Subordinated Bonds have continued to encounter procedural difficulties in participating in the current Exchange Offers as launched on 8 June 2011.

Termination of Offers in respect of the £75,000,000 13.375 per cent. Unsecured Perpetual Subordinated Bonds

The Bank has decided and hereby announces that the Exchange Offers in respect of the £75,000,000 13.375 per cent. Unsecured Perpetual Subordinated Bonds are terminated with immediate effect.

Any 13.375 per cent. Unsecured Perpetual Subordinated Bonds already tendered in the Exchange Offers will be returned to the holders by the Registrar.

Exchange Instructions relating to the 13.375 per cent. Unsecured Perpetual Subordinated Bonds received after the date hereof will be rejected and the relevant 13.375 per cent. Unsecured Perpetual Subordinated Bonds will be returned to the holders by the Registrar.

As a result of the termination of the Exchange Offer in respect of the £75,000,000 13.375 per cent. Unsecured Perpetual Subordinated Bonds, the Bank hereby announces that the Consent Solicitation in respect of the £75,000,000 13.375 per cent. Unsecured Perpetual Subordinated Bonds is also withdrawn.

Since the notice convening the Meeting to consider and vote on the Consent Solicitation is irrevocable, the Meeting will take place in accordance with such notice. However, the Bank hereby amends the terms of the Offers in respect of the £75,000,000 13.375 per cent. Unsecured Perpetual Subordinated Bonds such that submissions of a valid Exchange Instruction before the date hereof will **not** also instruct a proxy to attend the relevant meeting and vote in respect of the relevant Extraordinary Resolution. The Bank hereby confirms that it will take no action in relation to implementing the Extraordinary Resolution in respect of the £75,000,000 13.375 per cent. Unsecured Perpetual Subordinated Bonds.

Future Offer

In order to give holders of the £75,000,000 13.375 per cent. Unsecured Perpetual Subordinated Bonds who had been considering offering their 13.375 per cent. Unsecured Perpetual Subordinated Bonds for exchange another opportunity to offer their 13.375 per cent. Unsecured Perpetual Subordinated Bonds for exchange, the Bank currently intends to instigate a new offer to holders of the £75,000,000 13.375 per cent. Unsecured Perpetual Subordinated Bonds at a future date. In so doing, the Bank will seek to address the unique difficulties that have been highlighted to the Bank to date with regard to participation in the terminated Offers by the holders of the £75,000,000 13.375 per cent. Unsecured Perpetual Subordinated Bonds.

The termination of the Offers relating to the £75,000,000 13.375 per cent. Unsecured Perpetual Subordinated Bonds made in this announcement does not purport to affect any statement of the Irish Minister for Finance as referred to in the Consent and Exchange Memorandum concerning the Credit Institutions (Stabilisation) Act 2010 of Ireland and burden-sharing by holders of subordinated debt.

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Any questions or requests for assistance or copies of the Consent and Exchange Offer Memorandum may be directed to the Exchange Agents and any questions regarding the terms of the Offers may be directed to the Dealer Managers listed below.

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

The Consent and Exchange Offer Memorandum does not constitute an offer or an invitation to participate in the 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, and references in the Consent and Exchange Offer Memorandum to "Holder" or "Holders" should be construed accordingly.

The Offers are being conducted subject to the Offer Restrictions set out in the Consent and Exchange Offer Memorandum.

None of the securities referred to above 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 distribution of this announcement 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 does 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.

Each of the Dealer Managers is acting exclusively for the Bank in connection with the Offers and no one else and will not regard any other person as a client in relation to the Offers and will not be responsible to anyone other than the Bank for providing the protections afforded to their clients or for providing advice in relation to the Offers or any matters referred to in this announcement. Apart from the responsibilities and liabilities, if any, which may be imposed on each of the Dealer Managers by the Financial Services and Markets Act 2000, the European Communities (Market in Financial Instruments) Regulations (Nos 1 to 3) 2007 of Ireland or the Investment Intermediaries Act 1995 of Ireland, the Dealer Managers accept no responsibility whatsoever for the contents of any of the Transaction Documents.