

SUBSTITUTION OF

The Governor and Company of the Bank of Ireland
(acting through its United Kingdom branch)
(Established in Ireland by Charter in 1783, and having limited liability with registered number C-1)

in place of

BRISTOL & WEST PLC
(Formerly known as Reading Mortgages plc)
Incorporated with limited liability in England and Wales under the Companies Act 1985 with registered number 2124201

as issuer in respect of

GBP 75,000,000

13 ³/₈ per cent. Unsecured Perpetual Subordinated Bonds

This Prospectus is in relation to the substitution of the Governor and Company of the Bank of Ireland (acting through its United Kingdom branch) (United Kingdom branch of Bank of Ireland), in place of Bristol & West plc (Bristol & West) (formerly known as Reading Mortgages plc) as issuer in respect of GBP 75,000,000 13 ³/₈ per cent. Unsecured Perpetual Subordinated Bonds (the Bonds), constituted by the trust deed dated 25 July 1997 (the trust deed as amended from time to time hereinafter being referred to as the Trust Deed) between The Law Debenture Trust Corporation plc (as original trustee) and Bristol & West and pursuant to (i) a scheme under Part VII of the Financial Services and Markets Act 2000 for the transfer to the United Kingdom branch of Bank of Ireland of the deposit-taking, mortgage and home-finance businesses of Bristol & West (the Scheme); and (ii) a supplemental trust deed to be dated on or about 1 October 2007 (the Supplemental Trust Deed) between the United Kingdom branch of Bank of Ireland, Bristol & West and The Law Debenture Trust Corporation plc.

The Bonds were originally issued by Bristol & West. On 1 October 2007, the Bonds and all of the rights, benefits, powers, obligations and interests of Bristol & West in the Bonds, were by the order made by the High Court of Justice in England and Wales sanctioning the Scheme (the Order) and without any further act or instrument transferred to and vested in the United Kingdom branch of Bank of Ireland and the United Kingdom branch of Bank of Ireland succeeded to the Bonds as if in all respects it were the same person in law as Bristol & West.

The Bonds were initially issued for the aggregate principal amount of GBP 75,000,000 and such principal amount is currently outstanding.

The Bonds (with Bristol & West as issuer) are currently admitted to trading on the London Stock Exchange plc (the London Stock Exchange). An application has been made to the United Kingdom Financial Services Authority in its capacity as competent authority, under Directive 2003/71/EC, for the Prospectus to be approved and for the Bonds to be admitted to the Official List of the United Kingdom Listing Authority (the Official List) and to the London Stock Exchange in each case immediately upon substitution of the United Kingdom branch of Bank of Ireland as issuer on 1 October 2007.

24 September 2007

Financial Services Authority
UK Listing Authority
Document approved

Date: 24th September 2007

Signed: 1... *Ch*

This document comprises a prospectus for the purposes of Article 5.4 of Directive 2003/71/EC (a Prospectus).

The Governor and Company of the Bank of Ireland (Bank of Ireland) accepts responsibility for the information contained in this Prospectus. To the best of the knowledge and belief of Bank of Ireland (which has taken all reasonable care to ensure that such is the case), the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

No person has been authorised to give any information or to make any representation, other than those contained in this Prospectus, in connection with the substitution of the Bonds and any such information or representations must not be relied upon as having been authorised by Bank of Ireland. Neither the delivery of this Prospectus nor any substitution made in connection herewith shall, under any circumstances, constitute a representation or create any implication that there has been no change since the date hereof in the affairs of Bank of Ireland and its Subsidiaries (as defined below) or that information contained herein has remained accurate and complete. This Prospectus does not constitute an offer to sell or an invitation by or on behalf of Bank of Ireland to subscribe for, or purchase, any of the Bonds.

The distribution of this Prospectus and the substitution of the Bonds in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by Bank of Ireland to inform them about and to observe any such restrictions.

All references herein to USD, US\$, U.S. dollars, dollars and \$ are to the currency of the United States of America, all references herein to GBP, sterling, pounds and £ are to the currency of the United Kingdom.

TABLE OF CONTENTS

	Page
Summary Information	4
Risk Factors.....	10
Description of the Bonds	15
Use of Proceeds	25
Incorporation by Reference	26
Description of Bank of Ireland and of Bristol & West.....	27
Selected Financial Information	34
Capitalisation	35
Irish Taxation.....	36
United Kingdom Taxation	40
General Information.....	43

Summary Information

THE FOLLOWING INFORMATION IS EXTRACTED FROM, AND SHOULD BE READ AS AN INTRODUCTION TO, THE FULL TEXT OF THIS PROSPECTUS.

Any decision to invest in the transferable securities should be based on consideration of this Prospectus as a whole by the investor. Where a claim relating to information contained in this Prospectus is brought before a court, a plaintiff investor might under the national legislation of the EEA States, have to bear the costs of translating this Prospectus before legal proceedings are initiated. Civil liability attaches to those persons who are responsible for this summary, including any translation of this summary, but only if this summary is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus.

This summary is qualified in its entirety by the rest of this Prospectus.

1. Overview

This Prospectus is in relation to the substitution of the United Kingdom branch of Bank of Ireland in place of Bristol & West as issuer in respect of the Bonds.

The Bonds were originally issued by Bristol & West. On 1 October 2007, the Bonds and all of the rights, benefits, powers, obligations and interests of Bristol & West in the Bonds, were by the Order and without any further act or instrument transferred to and vested in the United Kingdom branch of Bank of Ireland and the United Kingdom branch of Bank of Ireland succeeded to the Bonds as if in all respects it were the same person in law as Bristol & West.

Words and expressions defined in the Trust Deed shall, unless otherwise defined herein, have the same meanings when used in this Prospectus.

2. Key financial information

The financial information set forth as at and for the two years ended 31 March 2006 and 31 March 2007 has been extracted without material adjustment from the Reports and Accounts of the Group (as defined in the section **Description of Bank of Ireland and of Bristol & West**) for the two years ended 31 March 2006 and 31 March 2007:

	2007 IFRS €m	2006 IFRS *Restated €m
Income statements		
Profit before taxation	1,958	1,524
Profit for the period	1,652	1,221
Earnings per unit of €0.64 Ordinary Stock	172.2c	128.5c
Dividends per unit of €0.64 Ordinary Stock (net)	60.4c	52.5c
Balance sheets		
Minority interests	34	45
Subordinated liabilities	7,808	6,493
Total equity	6,758	5,231
Total assets	188,813	162,212

Operating ratios	%	%
Net interest margin	1.77	1.79
Asset quality		
Annual provisions/average loans	0.09	0.11
Capital adequacy ratios		
Tier 1 capital	8.2	7.5
Total capital	11.8	11.4

*Restated due to change in accounting policy.

The summary information above does not constitute the full accounts of the Group, copies of which are required to be annexed to the Group's annual return to the Registrar of Companies in Ireland.

3. Risk factors

Prospective investors should consider carefully the risks that relate to the business and financial condition of Bank of Ireland and its Group, their industry and markets, and an investment in the Bonds. These risks include, but are not limited to, the following:

Risk factors relating to Bank of Ireland and the Group

- Risks arising from changes in credit quality and the recoverability of loans and amounts due from counterparties are inherent in a wide range of the Group's businesses. Adverse changes in the credit quality of the Group's borrowers and counterparties or a general deterioration in Irish, United Kingdom or global economic conditions, or arising from systemic risks in the financial systems, could reduce the recoverability and value of the Group's assets and require an increase in Group's level of provisions for impaired loans and advances.
- Interest rates and interest-rate spreads are the most significant market factors to which the Group's earnings are exposed. In addition, earnings and the value of Group net worth can be exposed to changes in foreign exchange rates, particularly the euro-sterling rate.
- The Group's business depends on the ability to process a large number of transactions efficiently and accurately. Losses can result from inadequate or failed internal control processes, and systems, human error, fraud or from external events that interrupt normal business operations. Although the Group has implemented risk controls and loss mitigation actions and substantial resources are dedicated to developing efficient procedures and training to staff, it is only possible to be reasonably, but not absolutely certain that such procedures will be effective.
- The Group is subject to financial services laws, regulations, administrative actions and policies in each location in which the Group operates. The nature and impact of these requirements and oversight are unpredictable and outside the control of Bank of Ireland. Changes in supervision and regulation, in particular in Ireland and the United Kingdom, could materially affect the Group's business, the products and services offered or the value of assets. In recent times there have been significant regulatory changes in Ireland, the United Kingdom and the US which have resulted in increased compliance responsibilities.
- The Group devotes substantial management and planning resources developing strategic plans for organic growth and identifying possible acquisitions. If the

outcome of these plans does not match expectations, the Group's earnings may not develop as forecasted. In addition, the market for financial services within which the Group operates is highly competitive; the Group's ability to generate an appropriate return for its shareholders depends significantly upon management's response to the competitive environment.

- The Group's insurance businesses are subject to inherent risk regarding claims provisions. Claims in the Group's life assurance businesses may be higher than expected as a result of changing trends in claims experience arising from changes in demographic developments, mortality and morbidity rates and other factors outside the Group's control. Such changes could affect the profitability of current and future insurance products and services.

Risk factors relating to the Bonds

- The Bonds are effectively subordinated to the claims of Bank of Ireland's Senior Creditors. If security over assets is enforced, secured parties could take possession of assets which would materially adversely affect Bank of Ireland's financial condition.
- The market value of the Bonds from time to time is likely to be dependent upon the level of credit rating ascribed to the long-term debt of Bank of Ireland.
- The Bonds currently have limited liquidity. There can be no assurance of a secondary market for the Bonds or the continued liquidity of such market if one develops.
- Potential purchasers and sellers of the Bonds should be aware that they may be required to pay taxes or other documentary charges or duties in accordance with the laws and practices of the country where the Bonds are transferred or other jurisdictions.
- Investors whose investment activities are subject to investment laws and regulations or to review or regulation by certain authorities may be subject to restrictions on investments in certain types of debt securities.
- No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Prospectus.
- Investment in the Bonds (being fixed rate instruments) involves the risk that subsequent changes in market interest rates may adversely affect the value of the Bonds.
- If the payment of interest in respect of the Bonds would not be treated as a deductible expense for United Kingdom or Irish tax purposes, due to any change to, or change to any generally applicable official interpretation of the applicable laws, Bank of Ireland may redeem all outstanding Bonds.

4. Description of the Bonds

General

The Bonds constitute unsecured and, as described below, subordinated obligations of the United Kingdom branch of Bank of Ireland and rank *pari passu* without any preference among themselves.

The Bonds have been issued in denominations of £1000 and integral multiples thereof. Interest on the Bonds accrues at the rate of 13 ¾% per annum and is payable in equal semi-

annual instalments (on 7 May and 7 November in each year) in arrears. Payments of interest due on an Interest Payment Date shall be made to the persons shown in the Register at the close of business on the Record Date.

Each such payment shall be made by sterling cheque drawn on a branch of a bank in the United Kingdom and mailed not later than the business day preceding the due date for payment (at the risk and, if mailed at the request of the Bondholder otherwise than by ordinary uninsured mail, expense of the Bondholder) to the holder or to the first-named of joint holders of the relevant Bonds at his registered address or in accordance with mandate instructions acceptable to the Registrar. In no event shall interest payments be mailed to an address in the United States. Payments shall be subject in all cases to any applicable fiscal and other laws and regulations.

Unless redeemed, the Bonds are perpetual and have no specified maturity date.

The United Kingdom branch of Bank of Ireland has the right to redeem the Bonds, in whole but not in part, at their principal amount and shall also pay Arrears of Interest (if any) and any interest (other than Arrears of Interest) up to (but excluding) the date of redemption, if the United Kingdom branch of Bank of Ireland satisfies the Trustee, that on the next Interest Payment Date the payment of interest in respect of the Bonds would not be treated as a deductible expense for United Kingdom or Irish tax purposes.

Purchase

The United Kingdom branch of Bank of Ireland or any other member of the Group may at any time purchase Bonds at any price in the open market or by tender (available to all Bondholders alike) or by private treaty.

Subordination

The claims of the Bondholders are subordinated to the claims of Senior Creditors in that payments of principal and interest in respect of the Bonds are conditional upon the United Kingdom branch of Bank of Ireland being solvent at the time for payment by the United Kingdom branch of Bank of Ireland and in that no principal or interest shall be payable in respect of the Bonds except to the extent that the United Kingdom branch of Bank of Ireland could make such payment and still be solvent immediately thereafter.

Events of Default, Waiver and Notice

If an event of default with respect to the Bonds occurs and is continuing, unless the principal of all of the Bonds shall already have become due and payable, the Trustee may declare the principal of, and accrued interest, additional amounts and premium, if any, on, the Bonds to be due and payable immediately.

No Bondholder shall be entitled to institute proceedings for the winding up of the United Kingdom branch of Bank of Ireland, or to prove in such winding up, except that if the Trustee, having become bound to proceed against the United Kingdom branch of Bank of Ireland as aforesaid, fails to do so, or, being able to prove in such winding up, fails to do so, in either case within a reasonable period and such failure is continuing, then any such Bondholder may, on giving an indemnity satisfactory to the Trustee, in the name of the Trustee (but not otherwise), himself institute proceedings for the winding up in Ireland (but not elsewhere) of the United Kingdom branch of Bank of Ireland and/or prove in such winding up to the same extent (but not further or otherwise) that the Trustee would have been entitled so to do.

5. Description of Bank of Ireland and of Bristol & West

Bristol & West

Bristol & West was incorporated with limited liability in England and Wales under the Companies Act 1985 with registered number 2124201.

Bank of Ireland

Bank of Ireland is the parent of a group of Subsidiaries (together with the Bank of Ireland, the **Group**) operating in the financial services sector. **Subsidiary** shall have the meaning given to it under section 155 of the Irish Companies Act, 1963, as amended. Bank of Ireland was incorporated by a Royal Charter of King George III in 1783.

The United Kingdom branch of Bank of Ireland is registered with branch number BR000459. Its registered office is at 36 Queen Street, London EC4R 1HJ. It is an authorised person for the purposes of the Financial Services and Markets Act 2000 and has permissions to carry on a number of regulated activities including accepting deposits and arranging, administering and lending under regulated mortgage contracts. It is also an Irish regulated entity and operates in the United Kingdom under EU passporting provisions and "top-up permissions" granted by the United Kingdom Financial Services Authority.

At 31 March, 2007, Bank of Ireland operated 295 full-time retail bank branches of which 251 were in Ireland and 44 in Northern Ireland. There are no full service retail bank branches in Great Britain. In addition to its retail and corporate banking business, Bank of Ireland has a funds management business, Bank of Ireland Asset Management Limited, and a corporate finance company, IBI Corporate Finance Limited. Bank of Ireland also has a life assurance business in Ireland, Bank of Ireland Life Holdings plc which trades under the name "Bank of Ireland Life" in certain distribution channels. Other Subsidiaries include the home mortgage business in Ireland (ICS Building Society and Bank of Ireland Mortgage Bank).

The Group's international business is directed from Dublin. In addition, Bank of Ireland has a branch in Paris and in Frankfurt. It has a representative office in California and a branch in Connecticut. It also provides fund management services through Bank of Ireland Asset Management (U.S.) Limited and Iridian Asset Management. Bank of Ireland, through a joint venture with US private equity specialist Paul Capital Partners, provides private equity fund of funds products and advisory services to institutional and other investors. It also provides fund management services through its Subsidiary Guggenheim Alternative Asset Management (in which it holds a 71.5 per cent. interest). In addition, it also provides fund management services through Bank of Ireland Asset Management in Australia, Japan and the United Kingdom.

Recent Developments

In October 2006 the Group sold its stockbroking subsidiary, J&E Davy stockbrokers, for EUR 316 million.

In January 2007 Bank of Ireland issued EUR 750,000,000 subordinated floating rate notes due January 2017.

In March 2007 the Group issued EUR 2.9 billion of residential mortgage backed notes based on the mortgages of ICS Building Society, and also GBP 5.5 billion of residential mortgage backed notes originated by Bristol & West plc.

On 1 October 2007 Bank of Ireland will assume all of the banking business of its subsidiary, Bristol & West and the business of Bank of Ireland Home Mortgages Limited, by means of a scheme of transfer under the Financial Services and Markets Act 2000.

In July 2007 Bank of Ireland issued USD 600,000,000 subordinated floating rate notes due July 2018.

Risk Factors

Bank of Ireland believes that the following factors may affect its ability to fulfil its obligations under the Bonds. All of these factors are contingencies which may or may not occur and Bank of Ireland is not in a position to express a view on the likelihood of any such contingency occurring. Bank of Ireland believes that the factors described below represent the principal risks inherent in investing in the Bonds, but the inability of Bank of Ireland to pay interest, principal or other amounts on or in connection with any Bonds may occur for other reasons which may not be considered significant risks by Bank of Ireland based on information currently available to it or which it may not currently be able to anticipate. Prospective investors should also read the detailed information set out elsewhere in this Prospectus and reach their own views prior to making any investment decision.

*Unless otherwise defined herein, terms used in this section shall have the same meaning as in the section **Description of the Bonds**.*

RISK FACTORS RELATING TO THE BANK OF IRELAND AND THE GROUP

Risks relating to Bank of Ireland and the Group may negatively impact their business and results of operations and consequently the ability of the United Kingdom branch of Bank of Ireland to fulfil its obligations under Bonds issued pursuant to the Trust Deed. All of these factors are contingencies, which may or may not occur, and Bank of Ireland is not in a position to express a view on the likelihood of any such contingency occurring.

Risks concerning borrower credit quality and general economic conditions are inherent in the Group's business

Risks arising from changes in credit quality and the recoverability of loans and amounts due from counterparties are inherent in a wide range of the Group's businesses. Adverse changes in the credit quality of the Group's borrowers and counterparties or a general deterioration in Irish, United Kingdom or global economic conditions, or arising from systemic risks in the financial systems, could reduce the recoverability and value of the Group's assets and require an increase in Group's level of provisions for impaired loans and advances.

Market risks associated with fluctuations in short- and long-term interest rates and foreign exchange rates are inherent in the Group's business

Interest rates and interest-rate spreads are the most significant market factors to which the Group's earnings are exposed. In addition, earnings and the value of Group net worth can be exposed to changes in foreign exchange rates, particularly the euro-sterling rate. Changes in the general level of interest rates can affect the net interest rate margin realised between lending and borrowing costs and can also affect earnings attributable to free funds (net non-interest bearing liabilities). It is Group policy to invest its free funds, passively, in a portfolio of fixed rate assets with an average life of four years. Changes in currency rates, particularly in the euro-sterling exchange rate and, to a much lesser extent, the euro-dollar rate, can affect the value of assets and liabilities denominated in foreign currencies, the Group's capital ratios and earnings reported by the Group's non-euro denominated business. The Group has implemented risk management methods to mitigate and control the impact of exchange-rate movements on its capital ratios. The Group does not ordinarily seek to mitigate the impact of exchange rates on reported earnings.

Operational risks are inherent in the Group's business

The Group's business depends on the ability to process a large number of transactions efficiently and accurately. Losses can result from inadequate or failed internal control processes, and systems, human error, fraud or from external events that interrupt normal business operations. Although the Group has implemented risk controls and loss mitigation actions and substantial resources are dedicated to developing efficient procedures and training to staff, it is only possible to be reasonably, but not absolutely certain that such procedures will be effective.

The Group's businesses are subject to substantial legal, regulatory and governmental requirements and oversight

The Group is subject to financial services laws, regulations, administrative actions and policies in each location in which the Group operates. The nature and impact of these requirements and oversight are unpredictable and outside the control of Bank of Ireland. Changes in supervision and regulation, in particular in Ireland and the United Kingdom, could materially affect the Group's business, the products and services offered or the value of assets. In recent times there have been significant regulatory changes in Ireland, the United Kingdom and the US which have resulted in increased compliance responsibilities.

Risks associated with strategic decisions regarding organic growth, the competitive environment and potential acquisitions

The Group devotes substantial management and planning resources developing strategic plans for organic growth and identifying possible acquisitions. If the outcome of these plans does not match expectations, the Group's earnings may not develop as forecast. In addition, the market for financial services within which the Group operates is highly competitive; the Group's ability to generate an appropriate return for its shareholders depends significantly upon management's response to the competitive environment.

The Group's insurance businesses are subject to inherent risk regarding claims provisions

Claims in the Group's life assurance businesses may be higher than expected as a result of changing trends in claims experience arising from changes in demographic developments, mortality and morbidity rates and other factors outside the Group's control. Such changes could affect the profitability of current and future insurance products and services.

RISK FACTORS RELATING TO THE BONDS

Set out below is a brief description of certain risks relating to the Bonds generally:

General

Each potential investor in any Bonds must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should: have sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained or incorporated by reference in this Prospectus or any applicable supplement; have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Bonds and the impact such investment will have on its overall investment portfolio; have sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds, including where the currency for principal or interest payments is different from the potential investor's currency; understand thoroughly the terms of the Bonds and be familiar with the financial markets; and be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Liquidity Risks

The Bonds currently have limited liquidity. There can be no assurance of a secondary market for the Bonds or the continued liquidity of such market if one develops.

The development or continued liquidity of any secondary market for the Bonds will be affected by a number of factors such as the creditworthiness of Bank of Ireland, as well as other factors such as the perpetual nature of the Bonds, the outstanding amount of the Bonds and the redemption features of the Bonds. Such factors also will affect the market value of the Bonds.

Investors may not be able to sell Bonds readily or at prices that will enable investors to realise their anticipated yield.

Taxation

Existing bondholders, potential purchasers and sellers of the Bonds should be aware that they may be required to pay taxes or other documentary charges or duties in accordance with the laws and practices of the country where the Bonds are transferred or other jurisdictions. Existing bondholders and potential investors are advised not to rely upon the tax summary contained in this Prospectus but to ask for their own tax adviser's advice on their individual taxation with respect to the acquisition, sale and redemption of the Bonds. Only these advisors are in a position to duly consider the specific situation of such existing bondholder or potential investor. This investment consideration has to be read in connection with the taxation sections of this Prospectus.

EU Savings Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income, Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) made by a person within its jurisdiction to an individual resident in that other Member State. However, for a transitional period, Belgium, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have agreed to adopt similar measures (a withholding system in the case of Switzerland) with effect from the same date.

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of tax were to be withheld from that payment, neither Bank of Ireland or Ireland nor any other person would be obliged to pay additional amounts with respect to any Bond as a result of the imposition of such withholding tax.

Regulatory Restrictions

Investors whose investment activities are subject to investment laws and regulations or to review or regulation by certain authorities may be subject to restrictions on investments in certain types of debt securities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) the Bonds are legal investments for it, (2) the Bonds can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of the Bonds. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Bonds under any applicable risk-based capital or similar rules.

Change of Law

The terms of the Bonds are based on English law in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Prospectus.

Interest Rate Risks

Investment in the Bonds (being fixed rate instruments) involves the risk that subsequent changes in market interest rates may adversely affect the value of the Bonds.

Risks related to subordinated Bonds

Bank of Ireland's obligations under the Bonds are unsecured and are subordinated to the claims of Senior Creditors (as defined below) in that payments of principal and interest in respect of the Bonds are conditional upon Bank of Ireland being solvent (as defined below) at the time for payment by Bank of Ireland and in that no principal or interest shall be payable in respect of the Bonds except to the extent that Bank of Ireland could make such payment and still be solvent immediately thereafter.

Redemption Prior to Maturity for Tax Reasons

Bank of Ireland has the right to redeem the Bonds, in whole but not in part, at their principal amount and shall also pay Arrears of Interest, if any (as defined below) and any interest (other than Arrears of Interest) up to (but excluding) the date of redemption, if Bank of Ireland satisfies the Trustee, that on the next Interest Payment Date the payment of interest in respect of the Bonds would not be treated as a deductible expense for United Kingdom or Irish tax purposes.

Modification, waivers and substitution

The terms and conditions of the Bonds as set out in Schedule 1 of the Supplemental Trust Deed (the **Terms and Conditions**) (see the section **Description of the Bonds** below) contain provisions for calling meetings of Bondholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Bondholders including Bondholders who did not attend and vote at the relevant meeting and Bondholders who voted in a manner contrary to the majority. The Terms and Conditions also provide that the Trustee may agree, without the consent of Bondholders, to any modification of, or to any waiver or authorisation of any breach or proposed breach of, any provision of the Terms and Conditions or the Trust Deed which, in the opinion of the Trustee, is not materially prejudicial to the interests of the Bondholders or to any modification which is of a formal, minor or technical nature or to correct a manifest error.

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Bonds in the GBP. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the **Investor's Currency**) other than GBP. These include the risk that exchange rates may significantly change (including changes due to devaluation of the GBP or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to GBP would decrease (1) the Investor's Currency-equivalent yield on the Bonds, (2) the Investor's Currency equivalent value of the principal payable on the Bonds and (3) the Investor's Currency equivalent market value of the Bonds.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Credit ratings may not reflect all risks

One or more independent credit rating agencies may assign credit ratings to the Bonds. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Bonds. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

The Bonds are not currently rated and there is no current intention to seek a rating.

Description of the Bonds

The Bonds were issued by Bristol & West under the Trust Deed.

On 1 October 2007, Bank of Ireland was substituted in place of Bristol & West as principal debtor in respect of the Bonds in accordance with the Scheme. Pursuant to the Scheme, the Bonds and all of the rights, benefits, powers, obligations and interests of Bristol & West in the Bonds, were by the Order and without any further act or instrument transferred to and vested in the United Kingdom branch of Bank of Ireland and the United Kingdom branch of Bank of Ireland succeeded to the Bonds as if in all respects it were the same person in law as Bristol & West.

The following description of the Bonds is only a summary of the material provisions of the Trust Deed. The Terms and Conditions of the Bonds include those stated in the Trust Deed.

TERMS AND CONDITIONS OF THE BONDS

The £75,000,000 13 ³/₈ per cent. Unsecured Perpetual Subordinated Bonds (the **Bonds**) of the Governor and Company of the Bank of Ireland acting through its United Kingdom branch (the **Issuer**) are constituted by a trust deed dated 25 July 1997 between (1) Bristol & West plc and (2) The Law Debenture Trust Corporation plc, as trustee, (the **Trustee**, which expression shall include its successors), as amended by a supplemental trust deed dated on or about 1 October 2007 between (1) the Issuer (2) The Law Debenture Trust Corporation plc and (3) Bristol & West plc, together the **Trust Deed**. On 1 October 2007 (the **Effective Date**) as a result of the transfer of the deposit taking and mortgages business of Bristol & West plc to the Issuer pursuant to a scheme under Part VII of the Financial Services and Markets Act 2000, the Issuer became the principal debtor in relation to the Bonds. The Trustee acts as trustee for the Bondholders (as defined below) in accordance with the provisions of the Trust Deed. The Bondholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions contained in the Trust Deed. The Bondholders are also bound by, and are deemed to have notice of, all the provisions contained in a registrar's agreement dated 25 July 1997 (the **Registrar's Agreement**) between Bristol & West plc, The Royal Bank of Scotland plc, as registrar, (the **Registrar**), which expression shall include its successors) and the Trustee. Copies of the Trust Deed and the Registrar's Agreement are available for inspection by the Bondholders during normal business hours at the registered office for the time being of the Trustee (being at the Effective Date at Fifth Floor, 100 Wood Street, London EC2V 7EX) and at the specified office of the Registrar.

The date on which the Trust Deed takes effect is referred to in these Terms and Conditions as the **Vesting Date**.

1. TITLE AND DENOMINATION

- 1.1 The Bonds are in certificated registered form in principal amounts of £1,000 or integral multiples of £1,000 (**authorised denominations**).
- 1.2 Title to the Bonds passes upon registration in a register of the Bonds (the **Register**) which the Issuer shall procure to be kept by the Registrar.

The person in whose name a Bond is registered (a **Bondholder**) shall be deemed to be, and shall be treated as, its absolute owner for the purpose of receiving payment of, or payment or delivery on account of, the Bond (notwithstanding any writing on the

certificate for the Bond or notice of ownership) and for all other purposes whether or not such Bond is overdue.

- 1.3 Bonds may, subject to the terms of the Registrar's Agreement and to paragraph 1.6 of this Condition, be transferred in whole or in part in an authorised denomination by lodging the certificate for the relevant Bond (with the relevant form of application for transfer endorsed thereon duly executed and duly stamped where applicable) at the specified office of the Registrar. No transfer of a Bond shall be valid unless and until entered on the Register. A Bond may be registered only in the name of, and transferred only to, a named person (or persons, not exceeding 4 in number).
- 1.4 The Issuer shall procure that the Registrar will within 7 business days (not including any day during which neither the Issuer nor the Registrar is required to register the transfer of any Bond pursuant to paragraph 1.6 of this Condition) of any duly made application for the transfer of a Bond or a part of a Bond in an authorised denomination deliver a certificate for a Bond in the relevant denomination to the transferee (and, in the case of a transfer of part only of a Bond, deliver a certificate for a Bond comprising the untransferred balance to the transferor) at the specified office of the Registrar or (at the risk and, if mailed at the request of the transferee or, as the case may be, the transferor otherwise than by ordinary uninsured mail, at the expense of the transferee or, as the case may be, the transferor) mail the certificate for the Bond to such address, other than an address in the United States, as the transferee or, as the case may be, the transferor may request.

In these Terms and Conditions, **business day** means a day (other than a Saturday or Sunday) on which banks in London are open for business.
- 1.5 Any transfer of the whole or part of a Bond in accordance with paragraph 1.3 of this Condition shall be effected without charge subject to:
 - 1.5.1 the person making such application for transfer paying or procuring the payment of any taxes, duties and other governmental charges payable in connection therewith;
 - 1.5.2 the Registrar being satisfied with the documents of title and/or identity of the person making the application; and
 - 1.5.3 such reasonable regulations as the Issuer may from time to time agree with the Trustee and the Registrar.
- 1.6 Neither the Issuer nor the Registrar shall be required to register the transfer of any Bond during the period of 7 business days immediately prior to any date fixed for payment in respect of the Bonds.

2. STATUS AND SUBORDINATION

- 2.1 The Bonds constitute unsecured and, as described below, subordinated obligations of the Issuer and rank *pari passu* without any preference among themselves.
- 2.2 The claims of the Bondholders are subordinated to the claims of Senior Creditors (as defined below) in that payments of principal and interest in respect of the Bonds (including the PIBS Interest Payment, as defined in Condition 3.2) are conditional upon the Issuer being solvent (as defined below) at the time for payment by the Issuer and in that no principal or interest (including the PIBS Interest Payment) shall be payable in respect of the Bonds except to the extent that the Issuer could make such

payment and still be solvent immediately thereafter. For this purpose, the Issuer shall be considered to be solvent if:

- 2.2.1 to the extent that any determination as to solvency falls to be made prior to the commencement of winding up in England or Ireland of the Issuer, it is able to pay its debts to Senior Creditors as they fall due; and
 - 2.2.2 its Assets exceed its Liabilities (each as defined below) to Senior Creditors.
- 2.3 A report as to the solvency of the Issuer by 2 directors of the Issuer or, in certain circumstances as provided in the Trust Deed, the Auditors (as defined in the Trust Deed) or, if the Issuer is being wound up, its liquidator shall, unless the contrary is proved, be treated and accepted by the Issuer, the Trustee and the Bondholders as correct and sufficient evidence of the matters stated in such report.
- 2.4 In these Terms and Conditions, **Senior Creditors** means creditors of the Issuer:
- 2.4.1 who are unsubordinated depositors or other unsubordinated creditors of the Issuer; or
 - 2.4.2 who are subordinated creditors of the Issuer (including the holders of any dated subordinated debt) other than those whose claims rank, or are expressed to rank *pari passu* with or junior to the claims of the Bondholders (whether only in the event of a winding up of the Issuer or otherwise);

Assets means the total non-consolidated gross assets of the Issuer and **Liabilities** means the total non-consolidated gross liabilities of the Issuer, all as shown by the latest published audited balance sheet of the Issuer but adjusted for contingencies and for subsequent events in such manner and to such extent as such directors, the Auditors or, as the case may be, such liquidator may determine to be appropriate.

- 2.5 If at any time an order made or an effective resolution is passed for the winding up in England or Ireland of the Issuer otherwise than a solvent winding up solely for the purpose of a reconstruction or amalgamation on terms previously approved by the Trustee in writing or by an Extraordinary Resolution (as defined in the Trust Deed) of the Bondholders and which do not provide that the Bonds shall thereby become repayable, there shall be payable on each Bond (in lieu of any other payment), but subject as provided in this Condition, such amount, if any, as would have been payable to the relevant Bondholder if, on the day prior to the commencement of the winding up and thereafter, such Bondholder were the holder of a preference share in the capital of the Issuer having a preferential right to a return of assets in the winding up over the holders of all other classes of stock or shares for the time being in the share capital of the Issuer on the assumption that such preference share was entitled to receive on a return of assets in such winding up an amount equal to the principal amount of such Bond together with Arrears of Interest (as defined in Condition 3.4), if any, and any interest (other than Arrears of Interest) which is payable as provided in the Trust Deed.

The obligations of the Issuer in respect of the Bonds are conditional upon the Issuer being solvent for the purpose of Condition 2.5 immediately before and after payment by the Issuer. If this condition is not satisfied, any amounts which might otherwise have been allocated in or towards payment of principal and interest in respect of the Bonds may be used to absorb losses.

- 2.6 Subject to applicable law, no Bondholder may exercise or claim any right of set-off in respect of any amount owed to it by the Issuer arising under or in connection with the

Bonds and each Bondholder shall, by virtue of being the person in whose name a Bond is registered, be deemed to have waived all such rights of set-off.

3. INTEREST

- 3.1 The Bonds bear interest from and including the Vesting Date at the rate of $13 \frac{3}{8}$ per cent. per annum payable, subject as provided in these Terms and Conditions, in arrear in equal semi-annual instalments on 7 May and 7 November in each year (each an **Interest Payment Date**), except that the first such payment, which shall be made on the first interest payment date following the Vesting Date (the **First Interest Payment Date**), shall be in respect of the period from and including the Vesting Date to but excluding the First Interest Payment Date and shall amount to £37.37671 (subject to any deduction pursuant to Condition 6) in respect of each £1,000 principal amount of Bonds.
- 3.2 The Issuer shall, subject as provided in these Terms and Conditions, pay by way of interest to each Bondholder on the First Interest Payment Date £30.04795 (subject to any deduction pursuant to Condition 6) in respect of each £1,000 principal amount of Bonds held by such Bondholder (the **PIBS Interest Payment**). The PIBS Interest Payment shall be in respect of interest accrued on the £75,000,000 $13 \frac{3}{8}$ per cent. Permanent Interest Bearing Shares of The Bristol & West Building Society (£50,000,000 of which were issued on 7 November 1991, and £25,000,000 of which were issued on 31 December 1991), in replacement for which the Bonds have been issued, for the period from and including the interest payment date in respect thereof which immediately precedes the Vesting Date to but excluding the Vesting Date.
- 3.3 Subject as provided in these Terms and Conditions, the aggregate amount payable by the Issuer to each Bondholder pursuant to paragraphs 3.1 and 3.2 of this Condition on the First Interest Payment Date shall be £67.42466 (subject to any deduction pursuant to Condition 6) in respect of each £1,000 principal amount of Bonds held by such Bondholder. Interest accruing on each Bond shall cease to accrue from the date for its redemption unless, upon due presentation, payment of principal is improperly withheld or refused or is not made by reason of Condition 2, in which event interest shall continue to accrue as provided in the Trust Deed.
- 3.4 Interest payments on the Bonds (including the PIBS Interest Payment) shall (subject to Condition 2) be payable on each Compulsory Interest Payment Date (as defined below). On any Optional Interest Payment Date (as defined below) there may be paid (if the Issuer so elects and gives notice of such election to the Bondholders in accordance with paragraph 3.5 of this Condition) the interest (including the PIBS Interest Payment) payable on such Optional Interest Payment Date, but the Issuer shall not have any obligation to make such payment and any failure to pay shall not constitute a default by the Issuer for any purpose. Any interest (including the PIBS Interest Payment) which is not paid on an Interest Payment Date shall, so long as the same remains unpaid, constitute **Arrears of Interest**. Arrears of Interest may, at the option of the Issuer, be paid in whole or in part at any time upon the expiration of not less than 7 days' notice to such effect given to the Bondholders in accordance with Condition 12, but all Arrears of Interest on all Bonds outstanding shall (subject to Condition 2) become due in full on whichever is the earliest of:
- 3.4.1 the date upon which a dividend is next paid on any class of share capital of the Issuer;
- 3.4.2 the date set for any redemption pursuant to Condition 4.1; or

3.4.3 the commencement of winding up of the Issuer.

Notwithstanding the foregoing, if notice is given by the Issuer of its intention to pay the whole or part of Arrears of Interest, the Issuer shall be obliged (subject to Condition 2) to do so upon the expiration of such notice. Arrears of Interest shall not themselves bear interest.

3.5 The Issuer shall give not less than 30 days' notice prior to any Optional Interest Payment Date to the Bondholders in accordance with Condition 12 specifying whether the Issuer elects to pay the interest due on such Optional Interest Payment Date.

3.6 For the purposes of this Condition, the following expressions have the following meanings:

Compulsory Interest Payment Date

means any Interest Payment Date unless:

- (i) in the period of 6 calendar months immediately preceding such Interest Payment Date the Issuer has not declared or paid any dividend on any class of its share capital; and
- (ii) the directors of the Issuer have determined and notified the Trustee that prudent capital ratios would not have been maintained if payment of any such dividend had been made in such period;

Optional Interest Payment Date

means any Interest Payment Date other than a Compulsory Interest Payment Date.

If interest is required to be calculated for a period of less than one year (other than a full semi-annual interest period), it shall be calculated on the basis of the actual number of days elapsed and a 365-day year.

All references in these Terms and Conditions and the Trust Deed to interest shall, unless the context otherwise requires, include Arrears of Interest.

4. REDEMPTION

The Issuer shall not be at liberty to redeem or purchase the Bonds except in accordance with the following provisions of this Condition. Any such redemption or purchase is subject to the prior consent of the Irish Financial Services Regulatory Authority (the **Financial Regulator**) (so long as the Issuer is required to obtain such consent).

4.1 Redemption for Taxation Reasons

If the Issuer satisfies the Trustee, immediately prior to the giving the notice referred to below, that on the next Interest Payment Date the payment of interest in respect of the Bonds (including, if applicable, the PIBS Interest Payment) would not be treated as a deductible expense for United Kingdom or Irish tax purposes, the Issuer may at its option (subject to Condition 2), having given not less than 30 nor more than 45 days' notice to the Bondholders, redeem all, but not some only, of the Bonds at their principal amount and shall also pay Arrears of Interest (if any) and any interest (other than Arrears of Interest) up to (but excluding) the date of redemption.

4.2 Purchase

The Issuer or any other member of the Group (as defined in the Trust Deed) may at any time purchase Bonds at any price in the open market or by tender (available to all Bondholders alike) or by private treaty.

4.3 Cancellation

All Bonds which are:

4.3.1 redeemed; or

4.3.2 purchased (otherwise than in the ordinary course of a business of dealing in securities) by or on behalf of the Issuer or any other member of the Group may not be reissued or resold and shall in due course be cancelled.

5. PAYMENTS

5.1 Payments of principal on the Bonds or accrued interest which is payable other than on an Interest Payment Date shall be made to the persons shown in the Register at the close of business on the date (the **Record Date**) being the seventh business day prior to the relevant payment date subject to surrender of the certificates for the Bonds at the specified office of the Registrar.

Payments of interest (including the PIBS Interest Payment) due on an Interest Payment Date shall be made to the persons shown in the Register at the close of business on the Record Date.

Each such payment shall be made by sterling cheque drawn on a branch of a bank in the United Kingdom and mailed not later than the business day preceding the due date for payment (at the risk and, if mailed at the request of the Bondholder otherwise than by ordinary uninsured mail, expense of the Bondholder) to the holder or to the first-named of joint holders of the relevant Bonds at his registered address or in accordance with mandate instructions acceptable to the Registrar. In no event shall interest payments be mailed to an address in the United States. Payments shall be subject in all cases to any applicable fiscal and other laws and regulations.

Without prejudice to the generality of the foregoing, the Issuer reserves the right to require a Bondholder to provide such certification or information as may be required to enable the Issuer to comply with the requirements of the United States federal income tax laws.

5.2 Details of the initial Registrar and its initial specified office are set out below. The Issuer reserves the right, subject to the approval of the Trustee (such approval not to be unreasonably withheld), to vary or terminate the appointment of the Registrar and appoint another Registrar at any time, provided that it will at all times maintain a Registrar with a specified office in the United Kingdom. Notice of any such termination or appointment and of any changes in the specified office of the Registrar will be given to the Bondholders promptly by the Issuer in accordance with Condition 12.

6. TAXATION

All payments of principal and/or interest (including the PIBS Interest Payment) in respect of Bonds shall be made subject to deduction of any United Kingdom and/or Irish tax required to be withheld at source.

7. EVENTS OF DEFAULT AND ENFORCEMENT

- 7.1 If the Issuer fails to make any payment of principal in respect of the Bonds for a period of 15 days or more after the due date for its payment or fails to make any payment of interest (including the PIBS Interest Payment) for a period of 15 days or more after a Compulsory Interest Payment Date or any other date upon which the payment of interest (including the PIBS Interest Payment) is compulsory, the Trustee may, subject as provided below, at its discretion and without further notice, institute proceedings in England or Ireland (but not elsewhere) for the winding up of the Issuer, but may take no further action in respect of such default. For the purpose of this paragraph a payment otherwise due (in the case of principal) or compulsory (in the case of interest (including the PIBS Interest Payment)) shall be deemed so due or compulsory notwithstanding that the condition set out in Condition 2 is not satisfied.
- 7.2 If at any time an order is made or an effective resolution is passed for the winding up in England or Ireland of the Issuer otherwise than a solvent winding up solely for the purpose of a reconstruction or amalgamation on terms previously approved by the Trustee in writing or by an Extraordinary Resolution of the Bondholders and which do not provide that the Bonds shall thereby become repayable, the Trustee may, subject as provided below, at its discretion, give notice to the Issuer that the Bonds are, and they shall accordingly thereby forthwith become, immediately due and repayable, together with accrued interest as provided in the Trust Deed.
- 7.3 The Trustee shall not be bound to take the action referred to in paragraph 7.1 or 7.2 of this Condition or any other action to enforce the obligations of the Issuer in respect of the Bonds unless:
- 7.3.1 it is so requested by an Extraordinary Resolution of the Bondholders or in writing by Bondholders holding at least one fifth in principal amount of the Bonds then outstanding; and
- 7.3.2 it shall have been indemnified to its satisfaction.
- 7.4 No Bondholder shall be entitled to institute proceedings for the winding up of the Issuer, or to prove in such winding up, except that if the Trustee, having become bound to proceed against the Issuer as aforesaid, fails to do so, or, being able to prove in such winding up, fails to do so, in either case within a reasonable period and such failure is continuing, then any such Bondholder may, on giving an indemnity satisfactory to the Trustee, in the name of the Trustee (but not otherwise), himself institute proceedings for the winding up in England or Ireland (but not elsewhere) of the Issuer and/or prove in such winding up to the same extent (but not further or otherwise) that the Trustee would have been entitled so to do.
- 7.5 No remedy against the Issuer, other than the institution of proceedings for the winding up of the Issuer in England or Ireland, shall be available to the Trustee or the Bondholders, whether for the recovery of amounts owing in respect of the Bonds or under the Trust Deed or in respect of any breach by the Issuer of any of its obligations under the Trust Deed or the Bonds (other than for recovery of the Trustee's remuneration or expenses).
- 7.6 The Issuer has undertaken in the Trust Deed to pay English and Irish stamp and other duties (if any) on or in connection with the execution of the Trust Deed and English and Irish stamp and other duties or taxes (if any) on the original issue and constitution of the Bonds (provided such stamp and other duties or taxes result from laws applicable on the Vesting Date) and stamp or other duties or taxes payable in England

or Ireland (but not elsewhere) solely by virtue of and in connection with any permissible proceedings under the Trust Deed or the Bonds but shall not be otherwise responsible for stamp or other duties or taxes otherwise imposed and in particular but without prejudice to the generality of the foregoing for any penalties arising on account of late payment where due by the Bondholder at the relevant time.

8. PRESCRIPTION

Claims against the Issuer for the payment of principal and interest (including the PIBS Interest Payment) shall be prescribed unless made within 12 years (in the case of principal) and 6 years (in the case of interest (including the PIBS Interest Payment)) from the Relevant Date.

The **Relevant Date** in respect of any payment means the date on which such payment first becomes due or (if the full amount of the moneys payable has not been duly received by the Registrar or the Trustee on or prior to such date) the date on which notice is given to the Bondholders that such moneys have been so received.

9. INDEMNIFICATION OF THE TRUSTEE

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking proceedings unless indemnified to its satisfaction. The Trustee is entitled to enter into business transactions with the Issuer and/or any of its subsidiaries without accounting for any resulting profit.

10. MEETINGS OF BONDHOLDERS, MODIFICATIONS, WAIVER AND SUBSTITUTION OF PRINCIPAL DEBTOR

- 10.1 The Trust Deed contains provisions for convening meetings of Bondholders to consider any matter affecting their interests, including any modification of these Terms and Conditions or the provisions of the Trust Deed, provided that certain provisions (including, inter alia, the terms concerning the currency, amount and due dates of payment of interest (including the PIBS Interest Payment) or principal in respect of the Bonds, and the provisions as to subordination referred to in Condition 2 may, subject to paragraph 10.2 of this Condition, only be modified by an Extraordinary Resolution passed at a meeting of Bondholders to which special quorum provisions shall have applied. Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the Bondholders, whether present or not.
- 10.2 The Trustee may agree, without the consent of the Bondholders, to any modification of, or to any waiver or authorisation of any breach or proposed breach of, any provision of these Terms and Conditions or the Trust Deed which, in the opinion of the Trustee, is not materially prejudicial to the interests of the Bondholders or to any modification which is of a formal, minor or technical nature or to correct a manifest error. Unless the Trustee agrees otherwise, any modification shall be notified to the Bondholders by the Issuer in accordance with Condition 12 as soon as practicable thereafter.
- 10.3 The Trustee may so agree, subject to modification of the Trust Deed, the consent of the Financial Regulator and such other conditions as the Trustee may require, but without the consent of the Bondholders, to the substitution, subject to the Bonds being unconditionally and irrevocably guaranteed on a subordinated basis equivalent to that mentioned in Condition 2 by the Issuer and otherwise to the satisfaction of the

Trustee, of any subsidiary of the issuer or of any company of which the Issuer is a subsidiary or any other subsidiary of any such company in place of the Issuer as principal debtor under the Trust Deed and the Bonds and so that the claims of the Bondholders may, in the case of the substitution of a banking subsidiary (as defined in the Trust Deed) in the place of the Issuer, be subordinate to the rights of Senior Creditors (as defined in Condition 2, but with the substitution of references to that subsidiary in place of references to the **Issuer**).

- 10.4 In the case of a substitution pursuant to this Condition, the Trustee may in its absolute discretion agree to a change of the law governing the Bonds and/or the Trust Deed without the consent of Bondholders provided that such change would not in the opinion of the Trustee be materially prejudicial to the interests of Bondholders.
- 10.5 In connection with the exercise by it of any of its trusts, powers, authorities and discretions (including, without limitation, any modification, waiver, authorisation or substitution), the Trustee shall have regard to the general interests of the Bondholders as a class but shall not have regard to any interests arising from circumstances particular to individual Bondholders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of the exercise of its trusts, powers, authorities and discretions for individual Bondholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Trustee shall not be entitled to require, nor shall any Bondholder be entitled to claim, from the Issuer, the Trustee or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Bondholders.

11. REPLACEMENT OF BONDS

Should any certificate for a Bond be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Registrar (or such other place of which notice has been given in accordance with Condition 12) upon payment by the claimant of the expenses incurred in connection with its replacement and on such terms as to evidence, security and indemnity as the Issuer may reasonably require. Mutilated or defaced certificates for Bonds must be surrendered before replacements will be issued.

12. NOTICES

Notices to Bondholders shall be posted to them at their respective addresses in the Register and shall be deemed to have been given on the second weekday after the date of posting.

13. FURTHER ISSUES

The Issuer is not at liberty, without the consent of the Bondholders, to create and issue further bonds so as to be consolidated and form a single series with the Bonds.

14. GOVERNING LAW AND JURISDICTION

- 14.1 Subject to Condition 14.2, the Trust Deed and the Bonds are governed by and shall be construed in accordance with English law. The Courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with any of

the Bonds and accordingly any legal action or proceedings arising out of or in connection with any of the Bonds may be brought in such courts.

- 14.2 The provisions relating to subordination and winding up contained in Condition 2 (*Status and Subordination*), save to the extent that winding up proceedings are brought against the Issuer in England, are governed by and shall be construed in accordance with Irish law.
- 14.3 The Registrar is Capita Registrars and its specified office is Northern House, Woodsome Park, Fenay Bridge, Huddersfield, HD8 0LA.

Use of Proceeds

The net proceeds of the issue of the Bonds, which were approximately £75,000,000, have been employed in the business of Bristol & West and in such other manner determined by Bristol & West. The substitution of Bank of Ireland in place of Bristol & West as the issuer in respect of the Bonds will not make available any additional proceeds to either Bank of Ireland or Bristol & West.

Incorporation by Reference

The audited annual reports of Bank of Ireland together with the audit reports for the financial years ended 31 March 2006 and 31 March 2007 which have previously been published and have been filed with the Irish Stock Exchange shall be incorporated in, and form part of, this Prospectus. However, any documents or other information referred to or incorporated by reference into the abovementioned documents will not form part of the information incorporated by reference in this Prospectus.

Copies of documents incorporated by reference in this Prospectus can be obtained from the principal office of Bank of Ireland for the time being.

Description of Bank of Ireland and of Bristol & West

Bank of Ireland

Bank of Ireland is the parent of a group of Subsidiaries operating in the financial services sector. Bank of Ireland was incorporated by a Royal Charter of King George III in 1783 with registered no. C-1.

Banking activities in Ireland are regulated and supervised by the Financial Regulator. The Irish banking law regulations consist primarily of the Central Bank Acts 1942 to 2001, the Central Bank and Financial Services Authority of Ireland Act, 2003, Central Bank and Financial Services Authority of Ireland Act, 2004, regulations made by the Irish Minister for Finance under the European Communities Act, 1972, and regulatory notices issued by the Financial Regulator. These ministerial regulations and regulatory notices implement EU directives relating to banking regulation, including Council Directive No. 77/780/EEC of December 12, 1977 as amended (the First Banking Co-ordination Directive), Council Directive No. 89/646/EEC of December 15, 1989 as amended (the Second Banking Co-ordination Directive), the Capital Adequacy Directive, the Solvency Ratio Directive, the Own Funds Directive, Council Directive 92/121/EEC of December 21, 1992 (the Large Exposures Directive), Council Directive 94/19/EC of May 30, 1994 as amended (the Deposit Guarantee Scheme Directive), Council Directive 92/30/EEC of April 6, 1992 (the Consolidated Supervision Directive) and European Parliament and Council Directive 95/26/EC of June 29, 1995 (the Post BCCI Directive). To the extent that areas of banking activity are the subject of EU directives, the provisions of Irish banking law reflect the requirements of those directives.

The United Kingdom branch of Bank of Ireland is registered with branch number BR000459. Its registered office is at 36 Queen Street, London EC4R 1HJ. It is an authorised person for the purposes of the Financial Services and Markets Act 2000 and has permissions to carry on a number of regulated activities including accepting deposits and arranging, administering and lending under regulated mortgage contracts. It is also an Irish regulated entity and operates in the United Kingdom under EU passporting provisions and "top-up permissions" granted by the United Kingdom Financial Services Authority.

Description of business

The Group had total assets of €189 billion at 31 March 2007. At 31 March 2007, Bank of Ireland operated 295 full-time retail bank branches of which 251 were in Ireland and 44 in Northern Ireland. There are no full service retail bank branches in Great Britain. In addition to its retail and corporate banking business, Bank of Ireland has a funds management business, Bank of Ireland Asset Management Limited, and a corporate finance company, IBI Corporate Finance Limited. Bank of Ireland also has a life assurance business in Ireland, Bank of Ireland Life Holdings plc, which trades under the name Bank of Ireland Life in certain distribution channels. Other Subsidiaries include the home mortgage business in Ireland (ICS Building Society and Bank of Ireland Mortgage Bank).

The Group's international business is directed from Dublin. In addition, Bank of Ireland has branches in Paris, Frankfurt and in Connecticut and a representative office in California. Bank of Ireland provides fund management services through Bank of Ireland Asset Management (US) Limited and Iridian Asset Management. It also provides fund management services through its Subsidiary Guggenheim Alternative Asset Management (in which it holds a 71.5 per cent. interest) and through Bank of Ireland Asset Management in Australia, Japan and the United Kingdom. Bank of Ireland, through a joint venture with US private equity specialist Paul Capital Partners, provides private equity fund of funds products and advisory services to institutional and other investors.

Group

Bank of Ireland is the holding company of all of the companies in its Group. It also engages in business in its own right. Its assets are therefore comprised both of shares in those companies; and assets and liabilities acquired in the conduct of its own business. It is thus partly dependent on the members of its Group and the revenues received by them.

Bank of Ireland provides, by itself or through its wholly owned Subsidiaries, a full range of financial services in the personal, commercial, industrial and agricultural sectors in Ireland. These include current and deposit accounts, term deposits and certificates of deposit, overdrafts, term loans, mortgages, currency loans, leasing, instalment credit, hire purchase, debt factoring, foreign exchange facilities, executor and trustee and taxation services, investment management, advice on a range of financial matters, including mergers and acquisitions and underwriting services.

Competition

The Group faces strong competition in all of its major markets. Other financial services groups, including local banks and domestic and foreign financial services companies, compete for business in these markets.

Ireland and Northern Ireland

The Group provides a full range of banking services in Ireland and Northern Ireland. It is subject to strong competition from various types of institutions in the financial services sector. The main competition across the full range of banking activity is from other banks, in particular Allied Irish Banks plc, Ulster Bank Ireland Limited (in Ireland), Ulster Bank Ltd (in Northern Ireland) and HBOS plc (in both Ireland and Northern Ireland), National Irish Bank Ltd (in Ireland), Northern Bank Ltd (in Northern Ireland) and Irish Life and Permanent plc (in Ireland).

Allied Irish Banks plc (which trades as First Trust Bank in Northern Ireland) and Irish Life and Permanent plc have their Head Offices in Dublin. Ulster Bank Ireland Limited is a Subsidiary of Ulster Bank Ltd which is a Subsidiary of The Royal Bank of Scotland Group plc and Northern Bank Ltd and National Irish Bank Ltd are Subsidiaries of Danske Bank A/S.

The Group also competes in the corporate and investment banking services areas with a range of other domestic and foreign banks. There is also competition from the building societies, the Irish Post Office, which has recently entered into a joint venture with Fortis Bank, credit unions and national savings organisations in both Ireland and Northern Ireland.

The general competitive environment in Ireland is subject to the operation of the Competition Act 2002 (as amended), and in the United Kingdom (including Northern Ireland) the Competition Act 1998, both of which are modelled closely on Articles 81 and 82 of the EC Treaty, and EC Directive 89/646 of 15 December 1989 (as amended, known as the Second Banking Coordination Directive), which permits in Ireland and the United Kingdom (including Northern Ireland) the establishment of branches and the provision of cross border services by banks headquartered elsewhere in the European Union.

Great Britain

The Group's operations in Great Britain focus on specific business niches, in particular business banking, mortgage lending and retail financial services (the latter through a joint venture with the United Kingdom Post Office). Great Britain has a very highly competitive

and sophisticated financial market with over 500 licensed banking institutions with extensive retail networks. In addition, there are approximately 80 building societies, and the major insurance companies, which also operate nationwide branch networks.

In Great Britain, the Group's principal competitors include, in addition to building societies, other providers of personal and commercial financial services, such as banks and insurance companies. Each of these types of financial service providers has expanded the range of services offered in recent years.

Inquiries

On 26 May 2005 the Office of Fair Trading (OFT) in the United Kingdom announced that it had referred the market for personal current account (PCA) banking services in Northern Ireland to the Competition Commission (CC) for further investigation, under section 131 of the Enterprise Act 2002.

The CC invited evidence from all interested parties and published an **Emerging Thinking** document (together with related working papers) on 28 April 2006 on the basis of the evidence examined to that date by the CC. The CC invited comments both on the Emerging Thinking document and on the working papers from all interested parties. Bank of Ireland provided its response to the CC on 19 May 2006. Further information was sought by the CC and its Provisional Findings report was published on 20 October 2006. In addition, provisional decisions on remedies were published on 6 March 2007. Bank of Ireland responded to both of these documents and a Final Report was issued on 16 May 2007. Further information is available from www.competitioncommission.org.uk.

Amongst the CC's other current inquiries are investigations into Rolling Stock Market, Payment Protection Insurance and Home Credit. Further details are available on the Commission's website, www.competition-commission.org.co.uk.

The OFT also investigates issues in the United Kingdom from competition, consumer protection and other perspectives. On 29 March 2007 it announced an investigation of retail bank pricing in the United Kingdom. Details of this and other OFT investigations are available on the OFT's website, www.offt.gov.uk.

The EU Commission announced on 13 June 2005 that it had decided to commence two sector inquiries under Article 17 of Council Regulation (EC) No 1/2003 in the financial services sector relating to

- Retail banking; and
- Business insurance.

These inquiries have been carried out in close co-operation with credit institutions, financial institutions, other institutions providing retail banking services and products, including providers of payment services, as well as providers of infrastructure and upstream services, insurance companies, financial services intermediaries, users of financial services, including consumer organisations, where appropriate, industry associations, governments and national competition authorities. The EU Commission addressed questionnaires to interested parties and published Interim Report I on Payment Cards on 12 April 2006 and Interim Report II on Current Accounts and Related Services on 17 July 2006. The EU Commission published its Final Report on Retail Banking on 31 January 2007. Further information is available from http://ec.europa.eu/comm/competition/antitrust/others/sector_inquiries/financial_services/.

Court of Directors

The Court of Directors of Bank of Ireland comprises:

<i>Name</i>	<i>Function within the Group</i>	<i>Principal Outside Activities</i>
Richard Burrows	Governor	A director of Pernod Ricard S.A. and of Cityjet Ltd.
George Magan	Deputy Governor	Chairman of Babcock & Brown Global Partners, Chairman, Carlton Capital Partners, Chairman, Mallet plc, Chairman, Morgan Shipley (Dubai).
Brian J Goggin	Group Chief Executive	President, Irish Chapter, The Ireland U.S. Council, Global Councillor of the conference Board.
David Dilger* CBE	Non-Executive Director	Chief Executive Officer of Greencore Group plc.
Paul Haran	Non-Executive Director	Chairman of the National Qualifications Authority of Ireland, of Edward Dillon Limited and of UCD Michael Smurfit School of Business and Principal of the UCD College of Business & Law. Member of the Forum of the Economic and Social Research Institute, council member of the Irish Management Institute and member of the Road Safety Authority. Director of Glanbia plc and of the Mater Private Hospital.
Dennis Holt*	Non-Executive Director	Chairman Designate, Liverpool Victoria Friendly Society Ltd and Director, Saga Services Ltd and British Islamic Insurance Holdings Ltd.
Rose Hynes	Non-Executive Director	Director of Bank of Ireland Mortgage Bank, Bord Gais Eireann, Shannon Airport Authority, Northern Ireland Water Ltd and a number of other companies. She is also a director of Total Produce plc, where she chairs its Compensation Committee and is a member of the Audit Committee. Rose is an associate of the Irish Institute of Taxation and of the Chartered Institute of Arbitrators.
Jerome Kennedy	Non-Executive Director	Director of Bank of Ireland Life Holdings plc, New Ireland Assurance Company plc and Total Produce plc where he chairs the audit committees. Chairman of Caulfield

<i>Name</i>	<i>Function within the Group</i>	<i>Principal Outside Activities</i>
		McCarthy Group Retail, a member of the Irish Board of the UCD Michael Smurfit Business School. He currently acts as a strategic business adviser to a number of Irish businesses and is a member of the Audit Committee Institute.
Declan McCourt*	Non-Executive Director	Chief Executive of automotive distributor, the OHM Group, a Director of Fyffes plc, Blackrock International Land plc, Dublin Docklands Development Authority and a number of other companies. Chairman of the Mater Hospital Foundation and of UCD Law School Development Council.
Heather McSharry	Ann Non-Executive Director	General Manager of Reckitt Benckiser in Ireland and a Director of Enterprise Ireland, of the Irish Pharmaceutical Healthcare Association and a member of the Governing Authority of UCD.
Terry Neill*	Non-Executive Director	Member of the Governing Body and Chairman of the Finance Committee of London Business School. Member of the Boards of CRH plc and Trinity Foundation. Chairman of Meridea Oy and Camerata Ireland.
John O'Donovan	Group Chief Financial Officer	
Des Crowley	Chief Executive, UK Financial Services	Chairman of the Board of the Post Office joint venture and Director of Bristol & West plc.
Richie Boucher	Chief Executive, Retail Financial Services Ireland	President of the Irish Banking Federation, Vice-President of the Institute of Bankers in Ireland and, member of the boards of Bank of Ireland Life, Bank of Ireland Mortgage Bank and ICS Building Society.
Denis Donovan	Chief Executive, Capital Markets	

* Audit committee member

The business address of the Court of Directors of the Bank of Ireland is Bank of Ireland Head Office, Lower Baginbun Street, Dublin 2, Ireland.

Conflicts of interest

Bank of Ireland is not aware of any potential conflicts of interest between the duties to Bank of Ireland of the persons listed under **Court of Directors** above and their private interests or other duties.

Corporate Governance

The Court of Directors is accountable to stockholders for the overall direction and control of the Group. It is committed to high standards of governance designed to achieve enhanced shareholder value, sustained business growth and protection of the interests of customers, employees and other stakeholders while promoting the highest standards of integrity, transparency and accountability.

A key objective of Bank of Ireland's governance framework is to ensure compliance with applicable legal and regulatory requirements and with best governance practice as set out in The Combined Code on Corporate Governance (the **Combined Code**). The Directors believe that the Group has delivered on these objectives and expect it to continue to do so. Specifically, the Group has complied with the provisions of the Combined Code throughout financial year 2006/2007 except for the fact that three of Bank of Ireland's then fourteen Directors were unable to attend the Annual General Court in July 2006 and the Governor is a member of the Group Remuneration Committee.

The Court of Directors welcomes the publication in June 2006 of the updated version of the Combined Code, which, among other things, allows the company chairman to sit on the remuneration committee. Though disclosure reporting on the updated version is not required in respect of year ended 31 March 2007, the Court is satisfied that it already complies with the principles.

Group Audit Committee

The Group Audit Committee comprises only independent non-executive Directors, at least one of whom the Court of Directors has determined has recent and relevant financial experience. The present members of the Group Audit Committee are David Dilger, Dennis Holt, Declan McCourt and Terry Neill.

It assists the Court of Directors in fulfilling its responsibilities relating to:

- the integrity of the financial statements and any related formal announcements;
- overseeing the relationship between the Group and its external auditors;
- the review of the Group's internal controls, including financial controls;
- the effectiveness of the internal audit, compliance and risk management functions;
- the review of the internal and external audit plans and subsequent findings;
- the selection of accounting policies;
- the review of the auditors' report;
- obligations under applicable laws and regulations including the Sarbanes – Oxley Act of 2002; and
- the review of the effectiveness of the services provided by the external auditors and other related matters.

The Group Audit Committee has conducted a formal evaluation of the effectiveness of the external audit process and has reported on its findings to the Court of Directors. It conducts an annual review of the procedures and processes by which non-audit services are provided by the external auditors in order to ensure, among other things, that auditor objectivity and independence are not compromised.

In this regard, a key procedural control requires that any engagement of the external auditors to provide non-audit services must be pre-approved by the Group Audit Committee, which also receives reports on the performance of such services.

Credit Ratings

Bank of Ireland has been assigned a corporate credit rating of A+ (positive outlook) by Standard & Poor's Rating Services, a division of the McGraw-Hill Companies Inc. (**S&P**), a senior unsecured credit rating of Aa2 by Moody's Investors Service, Inc. (**Moody's**), an issuer default credit rating of AA- by Fitch Ratings Limited (**Fitch**) and a long term senior credit rating of AA (mid) by Dominion Bond Rating Service Limited (**DBRS**).

A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the relevant rating organisation.

Selected Financial Information

The financial information set forth as at and for the past two financial years ended 31 March 2006 and 31 March 2007 has been extracted without material adjustment from the Reports and Accounts of the Group for the two financial years ended 31 March 2006 and 31 March 2007 respectively:

	2007 IFRS €m	2006 IFRS *Restated €m
Income statements		
Profit before taxation	1,958	1,524
Profit after taxation	1,652	1,221
Earnings per unit of €0.64 Ordinary Stock	172.2c	128.5c
Dividends per unit of €0.64 Ordinary Stock (net)	60.4c	52.5c
Balance sheets		
Minority interests	34	45
Subordinated liabilities	7,808	6,493
Total equity	6,758	5,231
Total assets	188,813	162,212
Operating ratios	%	%
Net interest margin	1.77	1.79
Asset quality		
Annual provisions/average loans	0.09	0.11
Capital adequacy ratios		
Tier 1 capital	8.2	7.5
Total capital	11.8	11.4

*Restated due to change in accounting policy.

The summary information above does not constitute the full accounts of the Group, copies of which are required to be annexed to the Group's annual return to the Registrar of Companies in Ireland. Bank of Ireland's auditors, PricewaterhouseCoopers, Chartered Accountants and Registered Auditors, Dublin have reported under section 193 of the Companies Act, 1990 of Ireland in respect of the accounts for the periods ended 31 March 2006 to 31 March 2007 (inclusive) without qualification.

Capitalisation

As at close of business on 18 September 2007, the issued and fully paid up ordinary stock of Bank of Ireland is 990,705,244 units of €0.64 each. As at close of business on 18 September 2007, the issued and fully paid up treasury stock of Bank of Ireland is 35,367,592 units of €0.64 each. All of the shares of Bank of Ireland and Bristol & West are fully paid up. The following table and notes thereto sets out the consolidated capital stock in issue of the Group as at 31 March, 2007 extracted without material adjustment from the audited consolidated financial statements at 31 March, 2007.

<i>Consolidated Capitalisation of the Group</i>	<i>As at 31 March 2007</i>
	<i>(€ millions)</i>
Capital Stock	
Authorised	
1,500m units of €0.64 of Ordinary Stock	960
8m units of Non-Cumulative Preference Stock of US\$25 each	150
100m units of Non-Cumulative Preference Stock of Stg£1 each	147
100m units of Non-Cumulative Preference Stock of €1.27 each	127
100m units of Undesignated Preference Stock of US\$0.25 each	19
100m units of Undesignated Preference Stock of Stg£0.25 each	37
100m units of Undesignated Preference Stock of €0.25 each	25
	<u>1,465</u>
Allotted and fully paid	
955.4m units of €0.64 of Ordinary Stock	611
70.2m units of €0.64 of Treasury Stock	45
1.9m units of Non-Cumulative Preference Stock of Stg£1 each	3
3.0m units of Non-Cumulative Preference Stock of €1.27 each	4
	<u>663</u>

The weighted average Ordinary Stock in issue at 31 March 2007, used in the earnings per unit of Ordinary Stock calculation, excludes the Treasury Stock which does not represent Ordinary Stock in issue. Treasury Shares do not rank for dividend and while own shares held for the benefit of life assurance policyholders legally rank for dividend they do not accrue in the Group financial statements.

Notes:

- (1) Please refer to Note 38(b), (c) and (d) to the consolidated financial statements for the financial year ended 31 March 2007.
- (2) All of the above stock issue and stock option schemes are subject to a range of flow rate controls approved by the stockholders and which conform to current institutional investor guidelines.
- (3) The euro figures shown have been translated from U.S. dollars and pounds sterling using the closing rates of exchange prevailing on 31 March 2007, which were: €1= U.D.\$1.3318, €1=£0.6798

Irish Taxation

This section constitutes a brief summary of relevant current Irish tax law and practice with regard to holders of Bonds. The comments are not exhaustive and relate only to the position of persons who are the absolute beneficial owners of Bonds and may not apply to certain classes of persons such as dealers. Holders of Bonds should seek independent tax advice on the implications of subscribing or buying, holding, selling, redeeming or disposing of the bonds.

Withholding Tax

In general, withholding tax at the standard rate of income tax (currently 20 per cent.) must be deducted from Irish source yearly interest payments made by an Irish company. However, in certain circumstances outlined below, no withholding tax will apply.

Interest (including premium) paid on Bonds, which are quoted on a recognised stock exchange constitute "quoted Eurobonds" under Section 64 of the Irish Taxes Consolidation Act, 1997 (**Section 64**). So long as Bonds continue to qualify as quoted Eurobonds, interest (including premium) payments may be made by a paying agent outside Ireland on behalf of Bank of Ireland without deduction of withholding tax. In addition, where interest (including premium) is paid by a paying agent in Ireland in respect of a quoted Eurobond, withholding tax will not apply provided:

- (a) the Bonds are held in a recognised clearing system; or
- (b) the person who is the beneficial owner of the Bond and who is beneficially entitled to the interest is not resident in Ireland and has made the appropriate declaration to the relevant person.

Regardless of whether or not the Bonds are listed, interest (including premium) paid by a bank carrying on a bona fide banking business in Ireland in the ordinary course of such business is exempt from withholding tax.

However, an encashment tax withholding obligation may arise as discussed under the heading **Encashment Tax** below, or a withholding obligation may in certain circumstances apply as discussed under the heading **Deposit Interest Retention Tax** below. (See also the section dealing with Deposit Interest Retention Tax for further reliefs from withholding tax.)

Encashment Tax

Encashment tax may arise in respect of Bonds issued by Bank of Ireland which constitute quoted Eurobonds. Where interest (including premium) payments are made in respect of such Bonds, by an Irish collection agent acting on behalf of a Bondholder, encashment tax will arise and so withholding tax will be deducted from such payments at the standard rate of tax (which is currently 20 per cent.), unless a bank acts solely in the clearing of a cheque and has no other relationship with the Bondholder. However if the person owning the Bond and entitled to the interest (including premium) is not resident in Ireland and has provided the appropriate declaration to the relevant person encashment tax will not arise. It is also necessary, to avoid withholding, that such interest (including premium) is not deemed under the provisions of Irish tax legislation to be income of another person that is resident in Ireland.

In the case of interest (including premium) payments made by or through a paying agent outside Ireland, no encashment tax arises provided the interest is not received by, or presented to, a banker (subject to the above) or any other person in Ireland for encashment.

Deposit Interest Retention Tax (DIRT)

DIRT which is a form of Irish withholding tax can apply at the standard rate of income tax, currently 20 per cent. However, there will be no withholding on account for DIRT in either of the following circumstances:

- (A) where the Bonds are and continue to be listed on a stock exchange; or
- (B) in cases where the Bonds are not listed on a stock exchange, where the person beneficially entitled to the interest, discount or premium thereon is:
 - (i) not resident in Ireland; or
 - (ii) a company within the charge to corporation tax in Ireland on such interest, discount or premium; or
 - (iii) a pension scheme or charity of the kind mentioned in the definition of **relevant deposit** in paragraphs (f) or (h) of section 256(1) of the Irish Taxes Consolidation Act, 1997 (TCA),

and in each case has provided to Bank of Ireland an appropriate declaration in the case of (i) above, and an appropriate reference number in the case of (ii) and (iii) above, as referred to in Section 256 of the TCA.

In addition, no withholding tax on DIRT will apply where:

- (i) the Bonds are issued in a minimum denomination of €500,000 (or its currency equivalent) and the Bond is held in a recognised clearing system, including Euroclear or Clearstream, or any other clearing system recognised from time to time by the Irish Revenue Commissioners, and either (a) the person by whom the payment is made, or (b) the person through whom the payment is made is not resident in Ireland and the payment is not made either by or through the Irish branch or agency of the non-resident; or
- (ii) either (a) the person by whom the payment is made, or (b) the person through whom the payment is made is resident in Ireland or the payment is made either through the Irish branch or agency, and:
 - 1. the person who is beneficially entitled to the interest is a resident of Ireland who has provided their tax reference number to the payer; or
 - 2. the person who is the beneficial owner of the Bonds and who is beneficially entitled to the interest is not resident in Ireland and has made a declaration in the prescribed form.

Reporting Requirements

In the case of an Irish resident issuing or paying agent paying to an Irish resident, there is a requirement to report to the Irish Revenue Authorities the names and addresses of the person to whom interest was paid or credited, the amount of interest paid or credited and the tax reference number of the person to whom the payment was made.

Taxation of Interest

Notwithstanding the fact that Bank of Ireland may not be required to deduct withholding tax or DIRT in accordance with the preceding paragraphs, any interest, discount or premium on Bonds issued in Ireland is Irish source income and any interest, discount or premium on

Bonds issued in the United Kingdom may also constitute Irish source income. Such income is within the charge to Irish income tax except for interest paid by Bank of Ireland in the ordinary course of the trade or business carried on by Bank of Ireland, to a company, where such company is not resident in Ireland and is resident for taxation purposes in either a Member State of the European Union, or a territory with which Ireland has a current double tax treaty (an **excluded company**). In addition, interest paid by Bank of Ireland on a quoted Eurobond which is paid free of withholding tax in accordance with the conditions set out above under the heading "**Withholding Tax**", first paragraph thereof, to a person who is not resident in Ireland and who is resident for tax purposes in either a Member State of the European Union, or a territory with which Ireland has a current double tax treaty (an **excluded person**) is exempt from Irish income tax on that interest.

Ireland operates a self-assessment system in respect of income and corporation taxes and any person with Irish source income chargeable to tax comes within its scope, including a person who is neither resident nor ordinarily resident.

A corporate recipient that carries on a trade in Ireland through a branch or agency in respect of which the Bonds are held or attributed may have a liability to Irish corporation tax on the interest.

Any interest, discount or premium on Bonds issued in the United Kingdom may, depending on the facts and circumstances, be either Irish or United Kingdom source income. The tax treatment of such income having an Irish source will be as outlined in the previous paragraphs. Such income having a United Kingdom source will be chargeable to Irish taxes on income unless the beneficially entitled recipient is a person who is neither resident nor ordinarily resident in Ireland and who does not carry on business in Ireland through a branch or agency or a permanent representative, to which or to whom the Bonds are attributable.

Capital Gains Tax

A holder of a Bond who holds a Bond as a capital asset will be subject to Irish taxes on capital gains (currently 20 per cent.) on a disposal of a Bond unless such holder is a person neither resident nor ordinarily resident in Ireland and does not carry on business in Ireland through a branch or agency or a permanent representative to which or to whom the Bonds are attributable.

Stamp Duty

Irish stamp duty will not be payable on the issue of temporary global Bonds, permanent global Bonds or definitive Bonds. A transfer of Bonds in bearer form by physical delivery only and not otherwise will not attract Irish stamp duty. A transfer of Bonds by instrument in writing will be subject to Irish stamp duty at a rate of 1% except where the Bonds meet all of the following conditions: they have a maturity of less than 30 years, are not issued at a discount of more than 10 per cent., do not carry rights akin to share rights, are not convertible into shares and do not carry a right to a payment linked to an index or indices.

Capital Acquisitions Tax

A gift or inheritance consisting of Bonds will generally be within the charge to Irish capital acquisitions tax (currently 20 per cent.) if either (i) the disponent or the donee/successor in relation to the gift or inheritance is resident or ordinarily resident in Ireland (or in case of gifts/inheritances taken under a discretionary trust, capital acquisitions tax will apply where the disponent is resident, ordinarily resident (and in the case of discretionary trusts established before 1 December 1999, domiciled) in Ireland irrespective of the residence or ordinary residence of the donee/successor) on the relevant date or (ii) if the Bonds are Irish situated property. Bonds which are in bearer form and which are physically located outside Ireland are

generally not regarded as Irish property. Bonds which are in registered form are regarded as Irish property where the principal register is maintained in Ireland or is required to be maintained in Ireland.

EU Savings Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income, Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) made by a person within its jurisdiction to an individual resident in that other Member State. However, for a transitional period, Belgium, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have agreed to adopt similar measures (a withholding system in the case of Switzerland) with effect from the same date.

United Kingdom Taxation

This section constitutes a brief summary of relevant current United Kingdom tax law and practice with regard to holders of Bonds. The comments are not exhaustive and relate only to the position of persons who are the absolute beneficial owners of Bonds and may not apply to certain classes of persons such as dealers. Holders of Bonds should seek independent tax advice on the implications of subscribing or buying, holding, selling, redeeming or disposing of the bonds.

Payment of Interest on the Bonds

Payments of interest on the Bonds may be made without deduction of or withholding on account of United Kingdom income tax provided that the Bonds continue to be listed on a "recognised stock exchange" within the meaning of section 1005 of the Income Tax Act 2007 (the ITA). The London Stock Exchange is a recognised stock exchange. Securities will be treated as listed on the London Stock Exchange if they are admitted to the Official List by the United Kingdom Listing Authority and admitted to trading by the London Stock Exchange. Provided, therefore, that the Bonds remain so listed, interest on the Bonds will be payable without withholding or deduction on account of United Kingdom tax.

Interest on the Bonds may also be paid without withholding or deduction on account of United Kingdom income tax in certain circumstances where the United Kingdom branch of Bank of Ireland making the payment of interest on the Bonds reasonably believes that the person beneficially entitled to the interest is a United Kingdom tax resident company or a non-United Kingdom tax resident company carrying on a trade in the United Kingdom through a permanent establishment and the interest is required to be brought into account in calculating the chargeable profits (within the meaning given by section 11(2) of the Income and Corporation Taxes Act 1988) of the non-United Kingdom resident company, provided that HM Revenue and Customs has not given a direction that this exemption shall not apply and therefore that the interest should be paid under deduction of tax.

In other cases, an amount must generally be withheld from payments of interest on the Bonds on account of United Kingdom income tax at the lower rate (currently 20%). However, where an applicable double tax treaty provides for a lower rate of withholding tax (or for no tax to be withheld) in relation to a Bondholder, or, where a Bondholder who is beneficially entitled to the interest is associated with the United Kingdom branch of Bank of Ireland, and is a company resident in an EU Member State other than the United Kingdom but is not such a company's United Kingdom permanent establishment or non-EU permanent establishment and is entitled in practice to the benefit of the European Council Directive 2003/49/EC (given effect by sections 757 to 767 of the Income Tax (Trading and Other Income) Act 2005 in the United Kingdom), HM Revenue and Customs can issue a direction to the United Kingdom branch of Bank of Ireland to pay interest to the Bondholder without deduction of tax (or for interest to be paid with tax deducted at the rate provided for in the relevant double tax treaty).

HM Revenue and Customs has power to obtain information (including the name and address of the beneficial owner of the interest) from any person in the United Kingdom who either pays interest to or receives interest for the benefit of an individual. Information so obtained may, in certain circumstances, be exchanged by HM Revenue and Customs with the tax authorities of the jurisdiction in which the Bondholder is resident for tax purposes.

EU Savings Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income, Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) made by a person within its jurisdiction to an individual resident in that other Member State. However, for a transitional period, Belgium, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have agreed to adopt similar measures (a withholding system in the case of Switzerland) with effect from the same date.

Further United Kingdom Income Tax Issues

Interest on the Bonds constitutes United Kingdom source income for tax purposes and, as such, may be subject to United Kingdom income tax by direct assessment even where paid without withholding. However, interest with a United Kingdom source received without deduction or withholding on account of United Kingdom tax will not be chargeable to United Kingdom tax in the hands of a Bondholder (other than certain trustees) who is not resident for tax purposes in the United Kingdom unless that Bondholder carries on a trade, profession or vocation in the United Kingdom through a United Kingdom branch or agency in connection with which the interest is received or to which the Bonds are attributable or where that Bondholder is a company, unless that Bondholder carries on a trade in the United Kingdom through a permanent establishment in connection with which the interest is received or to which the Bonds are attributable in which case tax may be levied on the branch or agency (or, as the case may be, permanent establishment). There are exemptions for interest received by certain categories of agent (such as some brokers and investment managers). Bondholders who are not resident in the United Kingdom for tax purposes may be able to obtain an exemption from or a reduction in United Kingdom tax payable on such interest under the provisions of an applicable double taxation convention.

United Kingdom Corporation Tax Payers

In general, all income, profits and gains, including interest, arising on or in connection with the Bonds will be charged to tax as income for Bondholders within the charge to United Kingdom corporation tax under the loan relationship rules contained in Finance Act 1996, broadly in accordance with their statutory accounting treatment. Such Bondholders will generally be charged to tax in each accounting period by reference to the taxable income arising in or in connection with the Bonds which is attributable under such statutory accounting method to that accounting period.

Other United Kingdom Tax Payers

Taxation of Chargeable Gains

For Bondholders not within the charge to United Kingdom corporation tax, the Bonds should continue to constitute **qualifying corporate bonds** within the meaning of section 117 of the Taxation of Chargeable Gains Act 1992. Accordingly, a disposal by a Bondholder of a Bond may should not give rise to a chargeable gain or an allowable loss for the purposes of the United Kingdom taxation of chargeable gains.

If, instead, the Bonds do not constitute qualifying corporate bonds, the disposal or redemption of a Bond by a Bondholder who is not within the charge to United Kingdom corporation tax may give rise to a chargeable gain or allowable loss for the purposes of the United Kingdom taxation of chargeable gains.

Accrued Income Scheme

On a disposal of Bonds by a Bondholder (which includes a Bond redemption), any interest which has accrued since the last interest payment date may be chargeable to tax as income under the rules of the accrued income scheme as set out in the ITA, if that Bondholder is not within the charge to United Kingdom corporation tax but is resident or ordinarily resident in the United Kingdom or carries on a trade, profession or vocation in the United Kingdom through a branch or agency in connection with which the Bonds are attributable.

Stamp Duty and SDRT

No stamp duty or stamp duty reserve tax should be payable on the issue or transfer by delivery of the Bonds or on redemption.

General Information

1. It is expected that official listing will be granted on or about 1 October 2007.
2. The Bonds have been accepted for clearance through Clearstream, Luxembourg and Euroclear. The ISIN for the Bonds is GB0000510312 and the SEDOL Code is 0051031.
3. The Bondholders are represented by the Trustee in the manner set out in the Terms and Conditions of the Bonds.
4. There has been no significant change in the financial or trading position of the Group taken as a whole since 31 March 2007 or of Bristol & West since 31 March 2007 nor any material adverse change in the financial position or prospects of the Group taken as a whole since 31 March 2007.
5. There are no nor have there been any governmental, legal or arbitration proceedings pending or threatened against Bank of Ireland or any member of the Group during the 12 months preceding the date of this document which may have, or have had in the recent past, significant effects upon the financial position or profitability of the Group.
6. The audited annual accounts of the Group for the two financial years ended 31 March 2006 and 31 March 2007 were all audited by PricewaterhouseCoopers, Chartered Accountants and Registered Auditors, of 1 Spencer Dock, Dublin 1 (PwC). PwC has no material interest in Bank of Ireland.
7. Bank of Ireland is registered in Ireland with the Companies Office under No. C-1. Bank of Ireland was established under a Charter granted by King George III pursuant to an Act of the Irish Parliament passed in 1781/82. The Charter was granted in 1783.

Bank of Ireland's objects and purposes were set out originally in the Charter and have been amended by legislation (in 1872 and 1929) and by resolutions passed by the stockholders in General Court meetings in 1972 and 1995. The principal objects of Bank of Ireland are to carry on the business of banking and to undertake all types of financial services.
8. Copies of the following documents will be available for inspection during usual business hours on any weekday (Saturdays, Sunday and public holidays excepted) at the principal office of Bank of Ireland for the life of this Prospectus:
 - (a) the Charter and bye-laws of Bank of Ireland;
 - (b) the annual audited accounts of Bank of Ireland for each of the financial years ended 31 March 2006 and 31 March 2007;
 - (c) the Scheme; and
 - (d) Trust Deed and the Supplemental Trust Deed.

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