

FINAL TERMS

14 December 2012

THE GOVERNOR AND COMPANY OF THE BANK OF IRELAND
Issue of €250,000,000 10.00 per cent. Subordinated Notes due 2022
Under the €25,000,000,000
Euro Note Programme

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the prospectus dated 20 December 2011, as supplemented on 5 September 2012 and 6 December 2012 (the "**Prospectus**") which constitutes a base prospectus for the purposes of the Prospectus Directive. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of Directive 2003/71/EC (the "**Prospectus Directive**") as amended (which includes the amendments made by Directive 2010/73/EU (the "**2010 PD Amending Directive**") to the extent that such amendments have been implemented in a relevant Member State) and must be read in conjunction with the Prospectus. Full information on the Bank and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus. The Prospectus is available for viewing at the principal office of the Bank at The Governor and Company of the Bank of Ireland, 40 Mespil Road, Dublin 4, Ireland and the specified office of the Paying Agent.

1.	Issuer:	The Governor and Company of the Bank of Ireland
2.	(i) Series Number:	707
	(ii) Tranche Number:	1
3.	Specified Currency or Currencies:	€ (euro)
4.	Aggregate Nominal Amount:	
	— Tranche:	€250,000,000
	— Series:	€250,000,000
5.	Issue Price:	100 per cent. of the Aggregate Nominal Amount
6.	(i) Specified Denominations:	€100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000. No Notes in definitive form will be issued with a denomination above €199,000.
	(ii) Calculation Amount:	€1,000
7.	(i) Issue Date:	18 December 2012
	(ii) Interest Commencement Date:	Issue Date
8.	Maturity Date:	19 December 2022
9.	Interest Basis:	10.00 per cent. Fixed Rate (further particulars specified below)
10.	Redemption/Payment Basis:	Redemption at par
11.	Change of Interest Basis or Redemption/Payment Basis:	Not Applicable
12.	Put/Call Options:	Issuer Call (further particulars specified below)
13.	Status of the Notes:	Dated Subordinated Notes (as defined in Condition 2(c) of the Programme). The Dated Subordinated Notes are meant to constitute subordinated capital of the Bank upon the <i>CRD IV</i> and/or the

CRR becoming part of the applicable Irish supervisory regulations, Tier 2 capital (howsoever described in the course of the implementation of *CRD IV*) of the Bank pursuant to *CRR*.

Reference is made to the risk of a statutory loss absorption as more fully described in the risk factor entitled "Statutory loss absorption of Subordinated Notes" and "Change of law" in the Prospectus.

The Dated Subordinated Notes shall constitute direct, unconditional, unsecured and subordinated obligations of the Bank ranking *pari passu* among each other and wholly subordinated to all unsubordinated obligations of the Bank. In the event of the Bank's winding up, the claims of the holders of the Dated Subordinated Notes will be subordinated in the right of payment in the manner provided in the Trust Deed dated 17 February 2011 to the claims of all unsubordinated creditors of the Bank and will rank *pari passu* with all other Subordinated Indebtedness of the Bank.

"**CRD IV**" means the Directive and Regulation of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms, a first draft of which was published on 20 July 2011.

"**CRR**" means the Regulation of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms the most recent proposal for which was published by the EU Council on 21 May 2012.

14. Method of distribution: Non-syndicated

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15.	Fixed Rate Note Provisions	Applicable
	(i) Rate of Interest:	10.00 per cent. per annum payable annually in arrear
	(ii) Interest Payment Date(s):	19 December in each year from (and including) 19 December 2013 up to (and including) the Maturity Date. There will be a long first coupon in respect of the period from (and including) the Issue Date to (but excluding) 19 December 2013.
	(iii) Fixed Coupon Amount(s):	€100 per Calculation Amount
	(iv) Broken Amount(s):	€100.27 per Calculation Amount, payable on the Interest Payment Date falling on 19 December 2013.
	(v) Day Count Fraction:	Actual/Actual (ICMA)
	(vi) Determination Date(s):	19 December in each year
	(vii) Other terms relating to the method of calculating interest for Fixed Rate Notes:	None
16.	Floating Rate Note Provisions	Not Applicable
17.	Zero Coupon Note Provisions	Not Applicable
18.	Dual Currency Note Provisions	Not Applicable
19.	Equity Linked Interest Notes	Not Applicable
20.	Index Linked Interest Notes	Not Applicable
21.	Custom Index Linked Interest Notes	Not Applicable
22.	Currency Linked Interest Notes:	Not Applicable

23. Commodity Linked Interest Notes: Not Applicable

PROVISIONS RELATING TO REDEMPTION

24. Issuer Call: Applicable, subject to the prior approval of the Competent Authority.

The Bank shall be entitled to seek such prior approval only if the requirements of (a) and (b) below are satisfied:

- (a) the exercise of the Issuer Call by the Bank is not prohibited by the published requirements implemented by the Competent Authority with regard to Tier 2 Capital; and
- (b) in the Bank's opinion, the circumstance that entitles it to exercise such right of redemption was not reasonably foreseeable to it at the Issue Date.

Subject to the foregoing, the following shall apply:

The following shall replace Condition 5(c) of the Terms and Conditions –

(c) Redemption at the Option of the Bank (Issuer Call)

Upon the occurrence of a Capital Event, the Bank may, having given:

- (i) not less than 15 nor more than 30 days' notice to the Noteholders in accordance with Condition 13; and
- (ii) prior notice to the Trustee before the giving of the notice referred to in (i);

(which notices shall be irrevocable), redeem all (but not some only) of the Notes then outstanding at any time at the Optional Redemption Amount(s) specified in these Final Terms (the "Optional Redemption Date" and "Optional Redemption Amount" respectively) together with interest accrued to (but excluding) the relevant Optional Redemption Date.

For these purposes:

"**Capital Event**" is deemed to occur if the Bank determines that for any reason the Notes are fully excluded from the Bank's Tier 2 Capital within the meaning and for the purposes of (1) the capital adequacy requirements of the Competent Authority, or (2) any other regulation, directive or other binding rules, standards or decisions adopted by the institutions of the European Union (being the regulatory capital rules applicable to the Bank at the relevant time, other than the rules in force on the Issue Date) other than as a result of any applicable limits on the amount of Tier 2 capital.

"**CMD**" means the Directive of the European Parliament and of the Council on resolution and recovery of credit institutions and investment firms, a first draft of which was published on 6 June 2012;

"**Competent Authority**" means the Central Bank of Ireland or any successor or replacement thereto, or other authority having primary responsibility for the prudential oversight and supervision of the Bank;

"**CRD IV Proposals**" means the Directive and Regulation of

the European Parliament and of the Council on prudential requirements for credit institutions and investment firms, a first draft of which was published on 20 July 2011; and

"Tier 2 Capital" means capital which is treated as a constituent of Tier 2 ("Additional Own Funds") by the Competent Authority for the purposes of the Bank and this shall include whatever the terminology employed by future applicable banking regulations including following the implementation of the CRD IV Proposals and/or the CMD by the Competent Authority.

- (ii) Optional Redemption Date(s): Any date
 - (iii) Optional Redemption Amount and method, if any, of calculation of such amount(s): Redemption at par
 - (iv) If redeemable in part:
 - (a) Minimum Redemption Amount: Not Applicable
 - (b) Maximum Redemption Amount: Not Applicable
 - (v) Notice period (if other than as set out in the Conditions): Not Applicable
 - 25. Investor Put: Not Applicable
 - 26. Final Redemption Amount: €1,000 per Calculation Amount
 - 27. Early Redemption Amount payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in Condition 5(e)) (or in the case of Index Linked Notes, following an Index Adjustment Event or Additional Disruption Event in accordance with the Index Linked Conditions or, in the case of Equity Linked Notes following certain corporate events or Additional Disruption Events in accordance with the Equity Linked Conditions):
 - Applicable, subject to the prior approval of the Competent Authority.
 - The Bank shall be entitled to seek such prior approval only if the requirements of (a) and (b) below are satisfied:
 - (a) payment of such Early Redemption Amount on redemption for taxation reasons or on event of default it is not prohibited by the published requirements implemented by the Competent Authority with regard to Tier 2 capital; and
 - (b) (in any such case) if, in the Bank's opinion, the circumstance that entitles it to exercise such right of redemption was not reasonably foreseeable to it at the Issue Date.
- Subject to the foregoing, the following shall apply:
- Redemption at par plus accrued interest, as defined in Condition 5(b) of the Programme.
- 28. Equity Linked Redemption Notes: Not Applicable
 - 29. Index Linked Redemption Notes: Not Applicable
 - 30. Custom Index Linked Redemption Notes: Not Applicable
 - 31. Currency Linked Redemption Notes: Not Applicable
 - 32. Commodity Linked Redemption Notes: Not Applicable
 - 33. Physical Delivery Notes: Not Applicable

GENERAL PROVISIONS APPLICABLE TO THE NOTES

- 34. (i) Form of Notes: Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for definitive Notes either at the option of the Bank or upon the occurrence of an Exchange

		Event.
	(ii) New Global Note:	No
	(iii) Reference Item Notes	No
35.	Additional Financial Centre(s) or other special provisions relating to Payment Dates:	Not Applicable
36.	Talons for future Coupons or Receipts to be attached to definitive Notes (and dates on which such Talons mature):	No
37.	Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences of failure to pay, including any right of the Bank to forfeit the Notes and interest due on late payment:	Not Applicable
38.	Details relating to Instalment Notes:	
	(i) Instalment Amount(s):	Not Applicable
	(ii) Instalment Date(s):	Not Applicable
39.	(i) Redenomination, renominalisation and reconventioning provisions:	Not Applicable
	(ii) Consolidation provisions:	Not Applicable
40.	Other final terms:	Not Applicable
DISTRIBUTION		
41.	(i) If syndicated, names of Managers:	Not Applicable
	(ii) Date of Subscription Agreement:	14 December 2012
	(iii) Stabilising Manager(s) (if any):	Not Applicable
42.	If non-syndicated, name of relevant Dealer:	Deutsche Bank AG, London Branch
43.	U.S. Selling Restrictions:	Reg. S Compliance Category 2; TEFRA D
44.	Additional selling restrictions:	Not Applicable

PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for issue and admission to trading on the regulated market of the Irish Stock Exchange and to listing on its Official List of the Notes described herein pursuant to the €25,000,000,000 Euro Note Programme of The Governor and Company of the Bank of Ireland.

RESPONSIBILITY

The Bank accepts responsibility for the information contained in these Final Terms.

Signed on behalf of **The Governor and Company of the Bank of Ireland**

By: 
 Duly authorised
BRIAN KEALY

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

- (i) Listing and Admission to trading: Application has been made by the Bank (or on its behalf) for the Notes to be admitted to trading on the regulated market of the Irish Stock Exchange and to listing on its Official List with effect from 18 December 2012.
- (ii) Estimate of total expenses related to admission to trading: €500

2. RATINGS

The Notes to be issued are expected to be rated:

S&P: B

Standard and Poor's Credit Market Services Europe Limited ("S&P") is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended). As such it is included in the list of credit ratings agencies published by the European Securities and Markets Authority on its website in accordance with such Regulation

3. YIELD (*Insert for Fixed Rate Notes only*)

Indication of yield: 10.00 per cent. per annum

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

4. OPERATIONAL INFORMATION

- (i) ISIN Code: XS0867469305
- (ii) Common Code: 086746930
- (iii) Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme and the relevant identification number(s) Not applicable
- (iv) Delivery: Delivery against payment
- (v) Name and addresses of initial Paying Agent(s) (if any) Citibank, N.A., London Branch
Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB
- (vi) Names and addresses of additional Paying Agent(s) (if any): Not Applicable
- (vii) Intended to be held in a manner which would allow Eurosystem eligibility: No

NEITHER THESE FINAL TERMS NOR, TO THE EXTENT THAT THEY RELATE TO THE NOTES DESCRIBED HEREIN, THE EXEMPT INFORMATION MEMORANDUM AND SUPPLEMENTS REFERRED TO BELOW HAVE BEEN, OR WILL BE, APPROVED BY THE CENTRAL BANK.

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