

NOT FOR RELEASE OR DISTRIBUTION IN OR INTO THE UNITED STATES
The Governor and Company of the Bank of Ireland (Bank of Ireland)

Placement of Convertible Contingent Capital Tier 2 Notes in Bank of Ireland to private investors

9 January 2013

The Governor and Company of the Bank of Ireland has mandated Davy, Deutsche Bank and UBS to manage the secondary placement of the 10.00 per cent Convertible Contingent Capital Tier 2 Notes due 2016 (the "Notes"). The Minister for Finance is the sole holder of the Notes which total €1 billion in aggregate principal amount. The Notes pay a coupon of 10 per cent. The placement volume is expected to be not less than €500 million in aggregate principal amount.

The joint lead managers have received indications of interest from private investors (including some existing investors in Bank of Ireland) to cover the placement of €500 million in aggregate principal amount.

Notes:

The Notes have a maturity of July 2016 and an annual coupon of 10 per cent. If the Core Tier 1 / Common Equity Tier 1 capital ratio of Bank of Ireland (as calculated under the terms of the Notes) falls below 8.25 per cent, the Notes automatically convert to units of ordinary stock. The conversion price at which the Notes would convert is the volume-weighted average price of the ordinary stock over the 30 days prior to conversion, subject to a minimum conversion price of €0.05 per unit.

For further information please contact:

Bank of Ireland

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This announcement is not an offer of securities for sale in the United States and the Notes may not be offered or sold in the United States absent registration under the U.S. Securities Act of 1933 as amended (the "Securities Act") or an exemption from registration under the Securities Act. No public offering of the Notes will be made in the United States.

This announcement is not and should not be read as an offer to the public to acquire or sell securities in connection with the transaction outlined above. It is not a prospectus or a prospectus "equivalent" document. A prospectus was prepared on the admission to listing of the Notes in 2011, however no prospectus shall be prepared for the purposes of the transaction above.

In connection with the offering of the Notes, UBS Limited (the "Stabilising Manager") or persons acting on behalf of the Stabilising Manager may effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager (or persons acting on behalf of the Stabilising Manager) will undertake stabilisation action. Any stabilisation action, if begun, may be ended at any time, but it must end no later than 30 days after the settlement date of the Notes transaction. Any stabilisation action must be conducted by the relevant Stabilising Manager (or persons acting on behalf of the Stabilising Manager) in accordance with all applicable laws and rules.

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