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17 May 2010



**NON-U.S. EXCHANGE OFFERS: RIGHTS ISSUE TERMS ANNOUNCEMENT**

THE GOVERNOR AND COMPANY OF THE BANK OF IRELAND ANNOUNCES THE RIGHTS ISSUE TERMS IN CONNECTION WITH ITS NON-U.S. EXCHANGE OFFERS IN RESPECT OF CERTAIN OF ITS OUTSTANDING EURO AND STERLING TIER 1 SECURITIES.

On 26 April 2010, The Governor and Company of the Bank of Ireland (the "**Bank**") announced an invitation to all holders ("**Holders**") (subject to certain offer restrictions) of the Tier 1 securities listed below (the "**Existing Securities**") to Offer to Exchange their Existing Securities for Option 1 Consideration or Option 2 Consideration (the "**Non-U.S. Exchange Offers**").

**Bank of Ireland UK Holdings plc**

€476,000,000 7.40 per cent. Guaranteed Step-up Callable Perpetual Preferred Securities  
(ISIN: XS0125611482)

**BOI Capital Funding (No.1) LP**

€350,316,000 Fixed Rate/Variable Rate Guaranteed Non-voting Non-Cumulative Perpetual  
Preferred Securities (ISIN: XS0213178295)

**Bank of Ireland UK Holdings plc**

£46,432,000 6.25 per cent. Guaranteed Callable Perpetual Preferred Securities (ISIN:  
XS0165122655)

**BOI Capital Funding (No.4) LP**

£37,290,000 Fixed Rate/Floating Rate Guaranteed Non-voting Non-cumulative Perpetual  
Preferred Securities (ISIN: XS0268599999)

The Non-U.S. Exchange Offers were made on the terms of an Exchange Offer Memorandum dated 26 April 2010. Capitalised terms used and not otherwise defined in this announcement have the meanings given to them in the Exchange Offer Memorandum.

This is the Rights Issue Terms Announcement referred to in the Exchange Offer Memorandum.

## **Rights Issue Terms and the Non-U.S. Exchange Offers**

The Bank has today published a stock exchange announcement confirming the terms of the Rights Issue.

The terms of the Rights Issue are relevant in certain respects to the operation of the Option 1 Settlement Mechanism in the Non-U.S. Exchange Offers. Accordingly, in connection with the Non-U.S. Exchange Offers, the Bank announces that:

- The Rights Issue Price is €0.55.
- The aggregate number of units of New Ordinary Stock to be allotted in the Rights Issue (and, accordingly, the aggregate number of BOINH Ordinary Shares to be issued to Holders and subsequently purchased by the Bank) in connection with the Option 1 Settlement of the Non-U.S. Exchange Offers is 491,117,294.

The expected Settlement Date for the Non-U.S. Exchange Offers is 14 June 2010. Settlement of the Non-U.S. Exchange Offers is conditional upon satisfaction of the Exchange Offer Conditions.

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In addition, any questions or requests for assistance regarding settlement of the Non-U.S. Exchange Offers may be directed to the Lead Dealer Managers or the Exchange Agent:

### **LEAD DEALER MANAGERS**

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**DISCLAIMER**

*This announcement must be read in conjunction with the Exchange Offer Memorandum. This announcement shall not constitute an offer to sell or the solicitation of an offer to buy securities either in the United States or any other jurisdiction, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.*