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The Governor and Company of the Bank of Ireland (Bank of Ireland)

Bank of Ireland raises €750 million of Tier 2 Capital at a 4.25% coupon with a maturity of 10 years

4 June 2014

Bank of Ireland today launched a highly successful EUR 750 million 10 year (callable at the end of year 5) Tier 2 capital issuance. The bond carries a coupon of 4.25% and its estimated cost of c.2bps p.a. will be reflected in the Group's net interest margin from the settlement date of 11 June 2014. The issue further enhances the Group's total capital position, with the Group's pro forma total capital ratio (on a Basel III transitional basis) as at 1 January 2014 being c.15.5%, after reflecting this new €750m Tier 2 issuance. Furthermore the Group has been profitable and generating capital since the start of 2014.

The Group has issued a range of debt instruments over the past 2 years including covered bonds, senior unsecured and subordinated debt issuance. The 4.25% coupon on this instrument compares to a coupon of 10% on the Group's last Tier 2 issuance in December 2012.

Today's issuance was very well received by investors with the orderbook being greater than 5 times oversubscribed and with 97% of the issue being subscribed by international investors.

The trade is a further vote of confidence by international bond investors in Bank of Ireland reflecting the continued significant progress which has been and continues to be made by the Bank of Ireland Group and by Ireland.

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