



Allied Irish Banks, p.l.c.

(a company incorporated with limited liability in Ireland)

€15,000,000,000

Euro Medium Term Note Programme

Guaranteed by the Minister for Finance of Ireland in respect of which an Eligible Liability Guarantee Certificate has been issued

Under the Euro Medium Term Note Programme described in this Exempt Offering Memorandum (the “Programme”) the Issuer, acting through its registered office in Dublin, may from time to time issue notes (as defined below), the Final Terms for which may indicate that the Minister for Finance of Ireland (the “Guarantor”) has unconditionally and irrevocably guaranteed the payment when due of all sums of principal, interest (if any) and default interest (if any) due and payable by Allied Irish Banks, p.l.c. (“AIB” or the “Issuer”) under such notes (the “Notes”). Notes will be denominated in such currencies as may be agreed with the Dealer specified in “Summary of Terms and Conditions of the Programme and the Notes” and any additional Dealers appointed under the Programme from time to time (which appointment may be for a specific issue or on a continuing basis) (each a “Dealer” and together the “Dealers”). The Notes will be issued on a continuing basis to one or more of the Dealers. Notes will have maturities of not less than one month from the date of issue (except as set out herein) and not more than five years from the date of issue. No Note shall be issued under the Programme after 29 September 2010 or such later date as specified in a supplement to this Exempt Offering Memorandum.

Subject as set out herein, the maximum aggregate nominal amount of all Notes from time to time outstanding will not exceed €15,000,000,000 (or its equivalent in other currencies at the time of agreement to issue, subject as further set out herein).

No notes shall be issued pursuant to the Programme other than notes which have been guaranteed by the Minister for Finance of Ireland as described above.

The Guarantor’s obligations in that respect are contained in the Credit Institutions (Eligible Liabilities Guarantee) Scheme 2009 (the “ELG Scheme”). The ELG Scheme and associated documents are available from the Issuer on request and are also available on the website of the National Treasury Management Agency and on the website of the Department of Finance.

Under Regulation 8(1)(d) of the Prospectus (Directive 2003/71/EC) Regulations 2005 (S.I. No. 324 of 2005) (the “Regulations”) (transposing into Irish law Article 1.2(d) of the Prospectus Directive (Directive 2003/71/EC)), the issue of the Notes does not come within the scope of the Regulations and no prospectus approved by the Financial Regulator will therefore be prepared in connection with the Notes.

This Exempt Offering Memorandum does not comprise a prospectus for the purposes of Part 7 of the Regulations.

Factors which may affect the Issuer’s ability to fulfil its obligations under Notes issued under the Programme and factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme are set out in “Risk Factors”.

Application may be made by AIB, through its listing agent Goodbody Stockbrokers (the “Listing Agent”), to the Irish Stock Exchange under the Irish Stock Exchange listing guidelines (the “Listing Rules”) for Notes issued under the Programme to be admitted to listing and trading on the Official List of the Irish Stock Exchange (the “Official List”). No assurance can be given that such an application to list and trade the Notes will be made or accepted.

Notes which have been admitted to the Official List will be referred to as “Listed Notes”. Notice of the aggregate principal amount of interest (if any) payable in respect of, the issue price of and any other terms and conditions not contained herein which are applicable to each Tranche (as defined in “Summary of Terms and Conditions of the Programme and the Notes”) of Notes will be set forth in a set of final terms (the “Final Terms”) which, with respect to the Listed Notes, will be delivered to the Irish Stock Exchange on or before the date of issue of such Tranche.

In the case of unlisted Notes, where the Final Terms so requires, each Dealer will be required to confirm that it will not knowingly offer to sell such unlisted Notes to Irish residents or persons, or to persons whose usual place of abode is Ireland and that it will not knowingly distribute or cause to be distributed in Ireland or to Irish residents or persons, any offering material in connection with such unlisted Notes.

Arranger
DEUTSCHE BANK

Dealers

ALLIED IRISH BANKS, p.l.c.

DEUTSCHE BANK

21 January 2010

AIB (the “Responsible Person”) accepts responsibility for the information contained in this Exempt Offering Memorandum. To the best of AIB’s knowledge and belief (having taken all reasonable care to ensure that such is the case) such information is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Minister for Finance of Ireland has neither reviewed this Exempt Offering Memorandum nor verified the information contained in it, and the Minister for Finance of Ireland makes no representation with respect to, and does not accept any responsibility for, the contents of this Exempt Offering Memorandum or any other statement made or purported to be made on his/her behalf in connection with this Exempt Offering Memorandum. Notwithstanding section 15(3) of the Financial Measures (Miscellaneous Provisions) Act 2009, the Minister for Finance of Ireland accordingly disclaims all and any liability, whether arising in tort or contract or otherwise, which it might otherwise have in respect of this Exempt Offering Memorandum or any such statement.

This Exempt Offering Memorandum is to be read in conjunction with all the documents which are deemed to be incorporated herein by reference (see “Documents Incorporated By Reference”). This Exempt Offering Memorandum shall be read and construed on the basis that such documents are so incorporated and form part of this Exempt Offering Memorandum save as provided herein.

To the fullest extent permitted by law, none of the Dealers or the Arranger accept any responsibility for the contents of this Exempt Offering Memorandum or for any other statement, made or purported to be made by the Arranger or a Dealer or on its behalf in connection with AIB, the Guarantor or the issue and offering of the Notes. The Arranger and each Dealer accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Exempt Offering Memorandum or any such statement. The statements made in this paragraph are without prejudice to the responsibility of AIB under the Programme.

No person is or has been authorised to give any information or to make any representation not contained in or not consistent with this Exempt Offering Memorandum or any other financial statements or further information supplied pursuant to the terms of the Programme or the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by AIB, the Guarantor or any of the Dealers.

Neither this Exempt Offering Memorandum nor any other financial statements nor any further information supplied pursuant to the terms of the Programme or the Notes, is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation, or constituting an invitation or offer, by or on behalf of AIB, the Guarantor or any of the Dealers, that any recipient of this Exempt Offering Memorandum or any other financial statements or any further information supplied pursuant to the terms of the Programme or the Notes should subscribe for or purchase any of the Notes. Each investor contemplating purchasing Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of AIB and the Guarantor.

The delivery of this Exempt Offering Memorandum does not at any time imply that the information contained herein concerning AIB or the Guarantor is correct at any time subsequent to the date hereof or that any other financial statements or any further information supplied pursuant to the terms of the Programme or the Notes is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers expressly do not undertake to review the financial condition or affairs of AIB or any of its subsidiaries or the Guarantor during the life of the Programme. Investors should review, inter alia, the most recent financial statements of AIB when deciding whether or not to purchase any Notes.

AIB, the Guarantor and the Dealers do not represent that this Exempt Offering Memorandum may be lawfully distributed, or that Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available

thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by AIB, the Guarantor or the Dealers which would permit a public offering of any Notes or distribution of this Exempt Offering Memorandum in any jurisdiction where action for that purpose is required. Accordingly, Notes may not be offered or sold, directly or indirectly, and neither this Exempt Offering Memorandum nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations and the Dealers have represented that all offers and sales by them will be made on the same terms.

The distribution of this Exempt Offering Memorandum and the offer or sale of any of the Notes may be restricted by law in certain jurisdictions. Persons into whose possession this Exempt Offering Memorandum or any Notes come must inform themselves about, and observe, any such restrictions.

The Notes have not been and will not be registered under the United States Securities Act of 1933 (the "Securities Act") and are subject to U.S. tax law requirements. Subject to certain exemptions, Notes may not be offered, sold or delivered within the United States or to U.S. persons (see "Subscription and Sale").

In this Exempt Offering Memorandum, references to "euro" and "€" are to the lawful currency of the member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended, references to "US\$", and "US dollars" are to the lawful currency of the United States, references to "£" and "sterling" are to the lawful currency of the United Kingdom, and references to "yen", "Yen" and "¥" are to the lawful currency of Japan. References to the "U.S.", "USA" and to the "United States" are to the United States of America, references to the "U.K." and "United Kingdom" are to the United Kingdom of Great Britain and Northern Ireland.

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilising Manager(s) (or any person acting on behalf of any Stabilising Manager(s)) in the applicable Final Terms may over-allot Notes or 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(s) (or any person acting on behalf of any Stabilising Manager(s)) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or person(s) acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.

Any transaction under this Programme shall be carried out in accordance with all applicable laws and regulations.

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DOCUMENTS INCORPORATED BY REFERENCE

The following documents shall be deemed to be incorporated in, and to form part of, this Exempt Offering Memorandum:

- (1) the audited annual consolidated financial statements of AIB for each of the financial years ended 31 December 2007 and 31 December 2008, in each case together with the audit reports thereon;
- (2) the unaudited interim consolidated financial statements of AIB for the six months ended 30 June 2009;
- (3) the interim management statement of AIB published on 18 November 2009;
- (4) the Credit Institutions (Eligible Liabilities Guarantee) Scheme 2009 (Statutory Instrument No. 490 of 2009); and
- (5) the Rules of the Credit Institutions (Eligible Liabilities Guarantee) Scheme 2009.

which in each case have been previously published, are published simultaneously with this Exempt Offering Memorandum, will be published or have been filed with the Irish Stock Exchange, save that any statement contained herein, or in a document all or the relative portion of which is incorporated by reference herein, shall be deemed to be modified or superseded for the purpose of this Exempt Offering Memorandum to the extent that a statement contained in any such document, all or the relative portion of which is deemed to be incorporated by reference herein, modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Exempt Offering Memorandum.

AIB will provide, without charge, to each person to whom a copy of this Exempt Offering Memorandum has been delivered, upon the written request of any such person, a copy of any or all of the documents which, or portions of which, are incorporated herein by reference. Written requests for such documents should be directed to AIB at its registered office set out at the end of this Exempt Offering Memorandum. In addition, such documents will be available from the principal office of the Listing Agent for the Listed Notes.

The Final Terms for an issue of Notes may also identify one or more documents as being incorporated in, and forming a part of, this Exempt Offering Memorandum.

SUPPLEMENTARY INFORMATION

AIB will agree to comply with any undertakings given by it from time to time to the Irish Stock Exchange in connection with Listed Notes and, without prejudice to the generality of the foregoing, AIB will, so long as any of its Notes remains outstanding and admitted to trading on a regulated market of the Irish Stock Exchange, if required by the Listing Rules or Irish law, prepare and make available an appropriate amendment or supplement to this Exempt Offering Memorandum or a further Exempt Offering Memorandum as may be required by the Listing Rules or by that law.

DESCRIPTION OF THE PROGRAMME

AIB may, from time to time, issue Notes denominated in such currencies as may be agreed with the relevant Dealer(s).

The issue price, issue date, maturity date, principal amount, interest rate (if any) applicable to any Notes and any other relevant provisions of such Notes will be agreed between AIB and the relevant Dealer(s) at the time of agreement to issue and will be specified in the Final Terms in respect of such Notes, as indicated under "Summary of Terms and Conditions of the Programme and the Notes".

Subject as set out herein, this Exempt Offering Memorandum and any supplement hereto will only be valid for listing Notes up to an aggregate principal amount of €15,000,000,000 (or its equivalent in the other currencies specified herein) outstanding at any one time calculated on the basis specified in "Summary of Terms and Conditions of the Programme and the Notes".

FORWARD-LOOKING STATEMENTS

This Exempt Offering Memorandum (including any documents incorporated by reference in this Exempt Offering Memorandum) includes "forward-looking statements". All statements other than statements of historical facts included in this Exempt Offering Memorandum are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Issuer, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. These forward-looking statements speak only as of the date of this Exempt Offering Memorandum. The Issuer expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in the Issuer's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

SUMMARY OF TERMS AND CONDITIONS OF THE PROGRAMME AND THE NOTES

The following summary does not purport to be complete and is taken from, and is qualified in its entirety by the remainder of, this Exempt Offering Memorandum and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Final Terms. Words and expressions defined or used in "Terms and Conditions of the Notes" shall have the same meaning in this summary.

- Issuer:** Allied Irish Banks, p.l.c. ("AIB")
- Guarantor:** The Minister for Finance of Ireland (the "Guarantor")
- Guarantee:** The Final Terms for an issue of Notes may indicate that the Minister for Finance of Ireland (the "Guarantor") has unconditionally and irrevocably guaranteed the payment when due of all sums of principal, interest (if any) and default interest (if any) due and payable by Allied Irish Banks, p.l.c. ("AIB" or the "Issuer") under such Notes.
- The Guarantor's obligations in that respect are contained in the ELG Scheme. The ELG Scheme and associated documents are available from the Issuer on request and are also available on the website of the National Treasury Management Agency and on the website of the Department of Finance.
- Arranger:** Deutsche Bank AG, London Branch
- Dealers:** Deutsche Bank AG, London Branch
Allied Irish Banks, p.l.c.
and any other Dealer appointed from time to time by AIB.
- The name(s) of the Dealer(s) for each Tranche will be stated in the applicable Final Terms.
- Agent:** Citibank, N.A.
- Amount:** Up to €15,000,000,000 (or its equivalent in other currencies calculated as set out herein) outstanding at any one time. Under the Dealer Agreement (as defined below), the nominal amount of Notes outstanding under the Programme may be increased, subject to the satisfaction of certain conditions set out therein and the prior written consent of the Scheme Operator.
- For the purpose of calculating the euro equivalent of the nominal amount of Notes outstanding under the Programme from time to time, the euro equivalent of Notes denominated in another currency shall be determined, at the discretion of AIB, either as of the date of agreement to issue such Notes (the "Agreement Date") or on the preceding day on which commercial banks and foreign exchange markets are open for business in London, in each case on the basis of the Exchange Rate on such date. As used herein, the "Exchange Rate" against the euro for any currency means the spot rate for the sale of the euro against the purchase of such currency in the London foreign exchange market at any time on the relevant day of calculation, such spot rate being determined by AIB from whatever source it may reasonably select.
- Distribution:** Notes may be distributed by way of private or public placement and in each case on a non-syndicated or a syndicated basis, as stated in the applicable Final Terms.
- Redenomination:** AIB may specify in the applicable Final Terms that certain Notes will include a redenomination clause providing for the redenomination of the Specified Currency in euro, and, if so specified, the wording of the redenomination clause will be set out in full in the applicable Final Terms.
- Method of Issue:** Notes will be issued from the date of the Exempt Offering Memorandum to and including 29 September 2010 or to such later date as specified in a supplement to this Exempt Offering Memorandum in the event that the ELG Scheme is extended, on a continuous basis in series (each a "Series"). The Notes comprising each Series will have one or more issue dates, the

same maturity date and will bear interest (if any) on the same basis and at the same rate (except in respect of the first payment of interest) and on terms otherwise identical. The Notes of each Series are intended to be interchangeable with all other Notes of that Series. The Notes of any Series with the same issue date will comprise a tranche (a “Tranche”). A set of Final Terms will be published in respect of each Tranche.

Currencies: Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in sterling, euro, U.S. dollars or any other currency agreed between AIB, the Guarantor and the relevant Dealers.

Maturities: Subject to compliance with all relevant laws, regulations and directives, Notes may have any maturity of not less than one month. However, no Note shall have a scheduled maturity date falling more than five years after the date of issue.

Issue Price: Notes may be issued at par or at a discount to, or premium over, par and either on a fully paid or partly paid basis.

Final Terms for the Notes: The Final Terms shall contain a confirmation from the Issuer that an Eligible Liability Guarantee Certificate (as defined in the Rules of the Credit Institutions (Eligible Liabilities Guarantee) Scheme 2009) has been obtained in respect of the Notes or has or is expected to be obtained in respect of Notes being issued.

Form of Notes: Each Tranche of Notes with a maturity of more than 365 days will initially be represented by a temporary Global Note, unless the Agent is notified to the contrary by AIB, and each Tranche of Notes with a maturity of 365 days or less, or in relation to which AIB so notifies the Agent, will initially be represented by a permanent Global Note. In the case of a Tranche intended to be cleared through Euroclear Bank S.A./N.V. (“Euroclear”) and/or Clearstream Banking, *société anonyme* (“Clearstream, Luxembourg”), on or before the issue date, the Global Note will (a) if it is intended to be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations, be delivered to a common safekeeper (the “Common Safekeeper”) for Euroclear and Clearstream, Luxembourg or (b) if it is not intended to be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operation, be deposited with a common depository on behalf of Euroclear and Clearstream, Luxembourg. In the case of a Tranche intended to be cleared through a clearing system other than Euroclear or Clearstream, Luxembourg or delivered outside a clearing system, the Global Note will be deposited as agreed between AIB, the Agent and the relevant Dealer(s). No interest will be payable in respect of a temporary Global Note except as described under “Summary of Provisions Relating to the Notes while in Global Form”. Interests in temporary Global Notes will be exchangeable for interests in permanent Global Notes or, if so stated in the relevant Final Terms, for definitive Notes, after the date falling 40 days after the issue date upon certification as to non-U.S. beneficial ownership. Interests in permanent Global Notes will be exchangeable for definitive Notes in the limited circumstances described under “Summary of Provisions Relating to the Notes while in Global Form”.

Fixed Rate Notes: Fixed rate interest will be payable in arrear on such day(s) as agreed between AIB and the relevant Dealer(s) (as indicated in the applicable Final Terms).

Floating Rate Notes: Floating Rate Notes will bear interest determined separately for each Series as follows:

(i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the issue date of the first Tranche of the Notes of the relevant Series; or (ii) by reference to EURIBOR or LIBOR (or such other benchmark as may be specified in the applicable Final Terms) as adjusted for any applicable margin.

The Margin (if any) relating to such floating rate will be agreed between the Issuer and the relevant Dealer(s) for each issue of Floating Rate Notes.

Interest Periods for Floating Rate Notes: Such period(s) as AIB and the relevant Dealer(s) may agree (as indicated in the applicable Final Terms).

Zero Coupon Notes:	Zero Coupon Notes may be offered and sold at their nominal amount or at a discount to it and will not bear interest other than in relation to interest due after the Maturity Date.
Change of Interest Basis:	Notes may be converted from one interest basis to another in the manner set out in the applicable Final Terms.
Dual Currency Notes:	Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Notes will be made in such currencies, and based upon such rates of exchange, as AIB and the relevant Dealer(s) may agree (as indicated in the applicable Final Terms).
Index Linked Notes:	Payments of principal in respect of Index Linked Redemption Notes or of interest in respect of Index Linked Interest Notes may be calculated by reference to such index and/or formula or to changes in the prices of securities and/or commodities and/or to such other factors as AIB and the relevant Dealer(s) may agree (as indicated in the applicable Final Terms).
Range Accrual Notes:	<p>The Issuer may issue Notes (“Range Accrual Notes”) in respect of which, any Range Accrual Rate of Interest and/or any Range Accrual Final Redemption Amount (as specified in the applicable Final Terms) is determined by reference to the number of days during a specified period (an “Observation Period”) that a predetermined event or events (each a “Fixing Event”) occurs or does not occur (as specified in the applicable Final Terms) as a proportion of the total number of days (each an “Observation Day”) within such Observation Period (such portion, the “Index Ratio”).</p> <p>The Fixing Event may be, but is not limited to, the value or other function of, one or more indices, formulae, currency exchange rates, rates, commodities, debt securities, equities or other variable or a combination thereof (the “Observable Rate”), exceeding and/or equalling and/or being lower than and/or equalling one or more predetermined criteria (the “Strike” or “Strikes”), as specified in the applicable Final Terms. The Strike may also be defined with reference to the value or other function of, one or more indices, formulae, currency exchange rates, rates, commodities, debt securities, equities or other variable or a combination thereof. The Fixing Event may be observed on each Observation Date at a specified time or may be continually observed during the Observation Period or may be observed on such other date or time as specified in the applicable Final Terms.</p> <p>The total number of days during the Observation Period in which the Fixing Event is observed may vary.</p>
Other Notes:	Terms applicable to High Interest Notes, Low Interest Notes, Step-up Notes, Step-down Notes, Partly Paid Notes, Instalment Notes and any other type of Notes which AIB and the relevant Dealer(s) may agree to issue under the Programme will be set out in the applicable Final Terms.
Redemption:	<p>The Final Terms applicable to each Tranche of Notes will indicate either that the Notes of that Tranche cannot be redeemed prior to their stated maturity (other than in specified instalments (see below) or for taxation reasons or following an Event of Default), or that such Notes will be redeemable prior to such stated maturity at the option of AIB (subject to AIB obtaining the prior approval of the Scheme Operator) and/or the holder(s) of such Notes upon giving irrevocable notice to the relevant Noteholders or AIB, as the case may be, within the time limits set out in the applicable Final Terms, on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as may be indicated in the applicable Final Terms.</p> <p>The applicable Final Terms may provide that the Notes may be redeemed in two or more instalments in such amounts and on such dates and on such other terms as may be indicated in such Final Terms.</p>
Denominations of Definitive Notes:	Such denominations as may be agreed between AIB and the relevant Dealer(s) and as indicated in the applicable Final Terms save that the minimum denomination will be such minimum denomination as may be allowed or required from time to time by the relevant central bank (or equivalent body (whatever called)) or any laws or regulations applicable to the currency in which the Notes are denominated and save that the minimum denomination of each Note will be €50,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency at the time of issue).

Taxation:	Payments of principal and interest by AIB in respect of the Notes will be made free of Irish withholding taxes, subject to the provisions of Condition 8. If any such payments become subject to Irish withholding taxes, AIB will pay such amount as may be necessary to ensure payment to the Noteholders of the full amount in respect of the Notes, subject to the provisions of Condition 8. The Irish Department of Finance has confirmed that, under current legislation, no withholding tax would apply to payments made by the Guarantor in respect of the Guarantee.
Status:	The Notes will constitute unsecured and unsubordinated obligations of AIB. The status of the Notes is more fully set out in “Terms and Conditions of the Notes”.
Rating:	Notes issued under the Programme are expected to be rated (i) AA- by Fitch Ratings Ltd. (“Fitch”), Aa1 by Moody's Investors Service Ltd. (“Moody's”) and AA by Standard & Poor's Rating Services (“S&P”) in respect of Notes with a tenor of more than one year and (ii) F1+ by Fitch and A-1+ by S&P in respect of Notes with a tenor of less than one year and P-1 by Moody's in respect of Notes with a tenor of one year or less Any Notes issued under the Programme may be rated or unrated. Where an issue of Notes is rated, its rating will not necessarily be the same as the rating applicable to the Programme. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.
Listing:	Application may be made to list the Notes and admit them to trading on the Official List. Unlisted Notes and Notes listed on other or additional stock exchanges may also be issued. The applicable Final Terms will state whether or not the Notes are to be listed and if they are to be listed, the stock exchange(s) on which they are to be listed.
Governing Law:	The Notes will be governed by English law. The Guarantee is governed by Irish law.
Selling Restrictions:	There are restrictions on the sale of Notes and the distribution of offering material. In the case of unlisted Notes, where the Final Terms so requires, each Dealer will be required to confirm that it will not knowingly offer to sell such unlisted Notes to Irish residents or persons, or to persons whose usual place of abode is Ireland and that it will not knowingly distribute or cause to be distributed in Ireland or to Irish residents or persons, any offering material in connection with such unlisted Notes. See “Subscription and Sale”.
Risk Factors:	A description of certain factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme is set out under “Risk Factors” below. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme (see “Risk Factors” below).
Use of Proceeds:	The net proceeds of the sale of any Tranche of Notes will be used for the general funding purposes of the Issuer. If, in respect of any particular issue, there is a particular identified use of proceeds, this will be stated in the applicable Final Terms.

RISK FACTORS

The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Notes. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of all or any of such contingencies occurring.

Factors which the Issuer believes may be material for the purpose of assessing the market risks associated with the Notes issued under the Programme are also described below.

The Issuer believes that the factors described below represent the principal risks inherent in investing in the Notes, but the Issuer may be unable to pay interest, principal or other amounts on or in connection with any Notes for other reasons and the Issuer does not represent that the statements below regarding the risks of holding any Notes are exhaustive. Prospective investors should also read the detailed information set out elsewhere in this Exempt Offering Memorandum (including any documents deemed to be incorporated in it by reference) and reach their own views prior to making any investment decision.

Factors which are material for the purpose of assessing the market risks associated with the Notes.

Notes may not be a suitable investment for all investors

Each potential investor in any Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the relevant Notes, the merits and risks of investing in the relevant Notes and the information contained or incorporated by reference in this Exempt Offering Memorandum or any applicable supplement;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Notes and the impact such investment will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Notes, including where principal or interest is payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the relevant Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- (v) 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.

Some Notes are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They generally purchase such instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of such Notes and the impact this investment will have on the potential investor's overall investment portfolio.

Risks related to the structure of a particular issue of Notes

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of certain such features:

Notes subject to optional redemption by the Issuer

An optional redemption feature is likely to limit the market value of Notes. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This may also be true prior to any redemption period.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor would generally not be able to reinvest the redemption proceeds at an effective interest rate as high as

the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Index Linked Notes and Dual Currency Notes

The Issuer may issue Notes with principal or interest determined by reference to an index or formula, to changes in the prices of securities or commodities, to movements in currency exchange rates or other factors (each, a “Relevant Factor”). In addition, the Issuer may issue Notes with principal or interest payable in one or more currencies which may be different from the currency in which the Notes are denominated. Potential investors should be aware that:

- (i) the market price of such Notes may be volatile;
- (ii) they may receive no interest;
- (iii) payment of principal or interest may occur at a different time or in a different currency than expected;
- (iv) the amount of principal payable at redemption may be less than the nominal amount of such Notes or even zero;
- (v) a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;
- (vi) if a Relevant Factor is applied to Notes in conjunction with a multiplier greater than one or contains some other leverage factor, the effect of changes in the Relevant Factor on principal or interest payable will likely be magnified;
- (vii) the timing of changes in a Relevant Factor may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the Relevant Factor, the greater the effect on yield; and
- (viii) such Notes may contain provisions allowing the Calculation Agent broad discretions to interpret, change or adjust various provisions and such discretion may not be required to be exercised in the best interests of Noteholders.

The historical experience of an index should not be viewed as an indication of the future performance of such index during the term of any Index Linked Notes. Accordingly, each potential investor should consult its own financial and legal advisers about the risk entailed by an investment in any Index Linked Notes and the suitability of such Notes in light of its particular circumstances.

Range Accrual Notes

The indices, formulae, currency exchange rates, rates and other factors or combination thereof used to determine the Fixing Event and, consequently, the Index Ratio for Range Accrual Notes may be different from the rate of interest specified in the applicable Final Terms which is calculated by multiplying a rate, currency exchange rate, index, formula or other factor or combination thereof (a “Reference Rate”) and may therefore fluctuate independently of such rate. This may result in the market value of the Notes falling even when the Reference Rate in respect of an Interest Period is rising. If, during the relevant Observation, the Fixing Event occurs only on a small number of days or does not occur at all, the Index Ratio may be very low or, as the case may be, zero and, as a result, the rate of interest payable on the Notes in respect of such Interest Period may be very low, or, as the case may be, zero (save for any minimum rate of interest specified in the applicable Final Terms). This will have a detrimental effect on the market value of the Notes.

Where the Observation Days fall in a different chronological period from the Interest Period, the indices, formulae, currency exchange rates, rates or combination thereof which were used to determine the Index Ratio may be different from those which prevail at the time at which the interest amount is being paid. This may have a detrimental effect on the market value of the Notes.

Partly Paid Notes

The Issuer may issue Notes where the issue price is payable in more than one instalment. Failure to pay any subsequent instalment could result in an investor losing some or all of its investment.

Variable Rate Notes with a multiplier or other leverage factor

Notes with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include such features.

Fixed/Floating Rate Notes

Fixed/Floating Rate Notes may bear interest at a rate that the Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The Issuer's ability to convert the interest rate will affect the secondary market and the market value of such Notes, since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on its Notes.

Notes issued at a substantial discount or premium

The market values of Notes issued at a substantial discount or premium to their nominal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

Risks related to Notes generally

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

Modification, waivers and substitution

The Terms and Conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

European Monetary Union

If the United Kingdom joins the European Monetary Union prior to the maturity of the Notes, there is no assurance that this would not adversely affect investors in the Notes. It is possible that prior to the maturity of the Notes the United Kingdom may become a participating Member State and that the euro may become the lawful currency of the United Kingdom. In that event (i) all amounts payable in respect of any Notes denominated in sterling may become payable in euro; (ii) the law may allow or require such Notes to be re-denominated into euro and additional measures to be taken in respect of such Notes; and (iii) there may no longer be available published or displayed rates for deposits in sterling used to determine the rates of interest on such Notes or changes in the way those rates are calculated, quoted and published or displayed. The introduction of the euro could also be accompanied by a volatile interest rate environment, which could adversely affect investors in the Notes.

EU Savings Directive

Under EC Council Directive 2003/48/EC on taxation of savings income, Member States, including Belgium from 1 January 2010, are required to provide to the tax authorities of other Member States details of payments of interest (or other similar income) paid by a person within their respective jurisdictions to an individual or certain other persons resident in another Member State. However, for a transitional period, Belgium, Luxembourg and Austria are required (unless during that period they elect otherwise) to operate instead a withholding system in relation to such payments, subject to a procedure whereby, on meeting certain conditions, the beneficial owner of the interest or other income may request that no tax be withheld. The ending of such transitional period is dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries.

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 the Issuer, any Paying Agent, nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax. The Issuer is required to maintain a Paying Agent in a Member State that will not be obliged to withhold or deduct tax pursuant to the Directive.

Change of law

The Terms and Conditions of the Notes are based on English law in effect as at the date of issue of the relevant Notes. 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 issue of the relevant Notes.

Risks related to the market generally

Set out below is a brief description of certain market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

The secondary market generally

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Notes.

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Notes in the Specified Currency. 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 the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency 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 the Specified Currency would decrease (i) the equivalent yield on the Notes in the Investor's Currency, (ii) the equivalent value of the principal payable on the Notes in the Investor's Currency and (iii) the equivalent market value of the Notes in the Investor's Currency.

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.

Interest rate risks

Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of Fixed Rate Notes.

Credit ratings may not reflect all risks

One or more independent credit rating agencies may assign credit ratings to an issue of Notes. 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 Notes. 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.

Legal investment considerations may restrict certain investments

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

Credit Institutions (Financial Support) Act 2008

Under the Credit Institutions (Financial Support) Act 2008, the Minister for Finance of Ireland (the "Minister") has been given certain functions in relation to financial support for certain credit institutions and their subsidiaries (such as AIB). They can only be exercised in certain circumstances namely where: (i) there is a serious threat to the stability of credit institutions in Ireland generally, or would be such a threat if those functions were not performed; (ii) the performance of those functions is necessary, in the public interest, for maintaining the stability of the financial system in Ireland; and (iii) the performance of those functions is necessary to remedy a serious disturbance in the economy of Ireland. The functions are wide ranging and may entail the Minister subscribing for, taking an allotment of or purchasing shares and any other securities in a credit

institution or subsidiary to which financial support is provided on such terms as the Minister sees fit. If the Minister were to exercise such a function it could have a material impact on the Issuer and its business.

Withholding Tax

The Irish Department of Finance has confirmed that, under current legislation, no withholding tax would apply to payments made by the Guarantor in respect of the Guarantee. However there can be no assurance that the tax treatment of payments in respect of the Guarantee will not change in the future.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions which, subject to completion and amendment and as supplemented or varied in accordance with the provisions of Part A of the relevant Final Terms, will be applicable to the Notes in definitive form (if any) issued in exchange for the Global Note(s) representing each Series of Notes and, subject further to simplification by deletion of non-applicable provisions, will be endorsed on such Notes, details of the relevant Series being shown on the relevant Notes and in Part A of the relevant Final Terms:

The Notes are issued pursuant to an Agency Agreement dated 14 November 2008 (the “Agency Agreement” as supplemented by a supplemental agency agreement dated 21 January 2010 and as further amended or supplemented as at the date of issue of the Notes (the “Issue Date”)), between the Issuer, Citibank, N.A. as issuing agent and principal paying agent (the “Agent” which expression shall include any successor agent) and the other paying agents named in it (together with the Agent and any additional or other paying agents in respect of the Notes from time to time appointed, (the “Paying Agents”)). The initial Calculation Agent (if any) is specified on the Notes. The Noteholders (as defined below), the holders of the interest coupons (the “Coupons”) relating to interest bearing Notes and, where applicable in the case of such Notes, talons for further Coupons (the “Talons”) (the “Couponholders”) and the holders of instalment receipts (the “Receipts”) appertaining to the payment of principal by instalments are deemed to have notice of all of the provisions of the Agency Agreement and the ELG Scheme applicable to them.

As used in these Conditions, “Tranche” means Notes which are identical in all respects.

Copies of the Agency Agreement (and the Credit Institutions (Eligible Liabilities Guarantee) Scheme 2009 (the “ELG Scheme”)) are available for inspection free of charge at the specified offices of each of the Paying Agents.

1. Form, Denomination and Title

The Notes are issued in bearer form in the Specified Denomination(s) (as defined in the Final Terms) and shall be serially numbered, provided that the minimum Specified Denomination shall be €50,000 (or its equivalent in any other currency as at the date of issue of the relevant Notes). Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination. The Notes are issued with Coupons (and, where appropriate, a Talon) attached, save in the case of Zero Coupon Notes in which case references to interest (other than in relation to interest due after the Maturity Date), Coupons and Talons in these Conditions are not applicable. Instalment Notes are issued with one or more Receipts attached.

This Note is a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Index Linked Interest Note, an Index Linked Redemption Note, an Instalment Note, a Dual Currency Note, a Partly Paid Note or a Range Accrual Note, a combination of any of the foregoing or any other kind of Note, depending upon the Interest and Redemption/Payment Basis shown hereon.

Title to the Notes, Receipts, Coupons and Talons shall pass by delivery. Except as ordered by a court of competent jurisdiction or as required by law, the holder of any Note, Receipt, Coupon or Talon shall be deemed to be and may be treated as the absolute owner of such Note, Receipt, Coupon or Talon, as the case may be, for the purpose of receiving payment thereof or on account thereof and for all other purposes, whether or not such Note, Receipt, Coupon or Talon shall be overdue and notwithstanding any notice of ownership, theft or loss thereof or any writing thereon made by anyone and no person shall be liable for so treating the holder.

In these Conditions, “Noteholder” means the bearer of any Note and the Receipts relating to it, “holder” (in relation to a Note, Receipt, Coupon or Talon) means the bearer of any Note, Receipt, Coupon or Talon (as the case may be) and capitalised terms have the meanings given to them on the Notes, the absence of any such meaning indicating that such term is not applicable to the Notes.

2. Status

The Notes, Receipts and Coupons constitute unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Notes, Receipts and Coupons shall, save for such exceptions as may be provided by applicable legislation, at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations.

3. Guarantee

The Minister for Finance of Ireland (the “Guarantor”) has unconditionally and irrevocably guaranteed the payment when due of all sums of principal, interest (if any) and default interest (if any) due and payable by the Issuer under the Notes.

The Guarantor’s obligations in that respect are contained in the ELG Scheme.

4. Interest and other Calculations

(a) Interest on Fixed Rate Notes

Each Fixed Rate Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 4(h).

(b) Interest on Floating Rate Notes and Index Linked Interest Notes

(i) Interest Payment Dates

Each Floating Rate Note and Index Linked Interest Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 4(h). Such Interest Payment Date(s) is/are either shown hereon as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are shown hereon, Interest Payment Date shall mean each date which falls the number of months or other period shown hereon as the Specified Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

(ii) Business Day Convention

If any date referred to in these Conditions which is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day which is not a Business Day (as defined below), then, if the Business Day Convention specified is (A) the Floating Rate Business Day Convention, such date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen, (B) the Following Business Day Convention, such date shall be postponed to the next day which is a Business Day, (C) the Modified Following Business Day Convention, such date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.

(iii) Rate of Interest for Floating Rate Notes

The Rate of Interest in respect of Floating Rate Notes for each Interest Accrual Period shall be determined in the manner specified hereon and the provisions below relating to either ISDA Determination or Screen Rate Determination shall apply, depending upon which is specified hereon.

(A) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate. For the purposes of this sub-paragraph (A), “ISDA Rate” for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (x) the Floating Rate Option is as specified hereon;
- (y) the Designated Maturity is a period specified hereon; and
- (z) the relevant Reset Date is the first day of that Interest Accrual Period unless otherwise specified hereon.

For the purposes of this sub-paragraph (A), “Floating Rate”, “Calculation Agent”, “Floating Rate Option”, “Designated Maturity”, “Reset Date” and “Swap Transaction” have the meanings given to those terms in the ISDA Definitions.

(B) Screen Rate Determination for Floating Rate Notes

(x) Where Screen Rate Determination is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period will, subject as provided below, be either:

- (1) the offered quotation; or
- (2) the arithmetic mean of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at 11.00 a.m. (London time in the case of LIBOR or Brussels time in the case of EURIBOR) on the Interest Determination Date in question as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean of such offered quotations.

If the Reference Rate from time to time in respect of Floating Rate Notes is specified in the applicable Final Terms as being other than LIBOR or EURIBOR, the Rate of Interest in respect of such Notes will be determined as provided in the applicable Final Terms.

(y) If the Relevant Screen Page is not available or if sub-paragraph (x)(1) above applies and no such offered quotation appears on the Relevant Screen Page or if sub-paragraph (x)(2) above applies and fewer than three such offered quotations appear on the Relevant Screen Page, in each case at the time specified above, subject as provided below, the Calculation Agent shall request, if the Reference Rate is LIBOR, the principal London office of each of the Reference Banks or, if the Reference Rate is EURIBOR, the principal Euro-zone office of each of the Reference Banks, to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time), or if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Period shall be the arithmetic mean of such offered quotations as determined by the Calculation Agent.

(z) If paragraph (y) above applies and the Calculation Agent determines that fewer than two Reference Banks are providing offered quotations, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market, as the case may be, or, if fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time), on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for such purpose) informs the Calculation Agent it is quoting to leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market, as the case may be, provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Accrual Period, in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Accrual Period).

(iv) *Rate of Interest for Index Linked Interest Notes*

The Rate of Interest in respect of Index Linked Interest Notes for each Interest Accrual Period shall be determined on the Interest Determination Date in the manner specified hereon and interest will accrue by reference to an Index or Formula as specified hereon.

(c) Zero Coupon Notes

Where a Note, the Interest Basis of which is specified to be Zero Coupon, is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note. As from the Maturity Date, the Rate of Interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as defined in Condition 5(d)).

(d) Dual Currency Notes

In the case of Dual Currency Notes, if the rate or amount of interest falls to be determined by reference to a Rate of Exchange or a method of calculating Rate of Exchange, the rate or amount of interest payable shall be determined in the manner specified hereon.

(e) Partly Paid Notes

In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up nominal amount of such Notes and otherwise as specified hereon.

(f) Accrual of Interest

Interest shall cease to accrue on each Note on the due date for redemption unless, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (as well after as before judgment) at the Rate of Interest in the manner provided in this Condition 4 to the Relevant Date (as defined in Condition 8).

(g) Maximum/Minimum Rates of Interest, Instalment Amounts and Redemption Amounts and Rounding

- (i) If any Rate of Interest is expressed to be as adjusted by a Margin, such adjustment shall be made by adding (if a positive number) or subtracting (if a negative number) the absolute value of any Margin specified on the Notes, subject always to the next paragraph.
- (ii) If any Maximum or Minimum Rate of Interest, Instalment Amount or Redemption Amount is specified on the Notes, then such Rate of Interest, Instalment Amount or Redemption Amount shall in no event exceed the maximum or be less than the minimum.
- (iii) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (y) all figures will be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts which fall due and payable will be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes "unit" means the lowest amount of such currency which is available as legal tender in the countries of such currency.

(h) Calculations

The amount of interest payable per Calculation Amount in respect of any Note for any Interest Accrual Period shall be equal to the product of the Rate of Interest, the Calculation Amount specified hereon, and the Day Count Fraction for such Interest Accrual Period, unless an Interest Amount is applicable to such Interest Accrual Period, in which case the amount of interest payable per Calculation Amount in respect of such Note for such Interest Accrual Period will equal such Interest Amount. Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable per Calculation Amount in respect of such Interest Period will be the sum of the Interest Amounts payable in respect of each of those Interest Accrual Periods. In respect of any other period for which interest is required to be calculated, the provisions above shall apply save that the Day Count Fraction shall be for the period for which interest is required to be calculated.

(i) Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts and Instalment Amounts

The Calculation Agent shall, as soon as practicable on such date as it may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, determine such rate and calculate the Interest Amounts for the relevant Interest Accrual Period, calculate the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or Instalment Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Accrual Period and the relevant Interest Payment Date

and, if required to be calculated, the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or any Instalment Amount to be notified to the Agent, the Issuer, each of the Paying Agents, the Noteholders and, if the Notes are listed on a stock exchange and such exchange so requires, such exchange as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of a Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. The Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 10, the accrued interest and the Rate of Interest payable in respect of the Notes shall nevertheless continue to be calculated as previously nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Interest or the Interest Amount so calculated need be made. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties.

(j) Definitions

In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

“Business Day” means:

- (i) in the case of a currency other than euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for such currency and/or
- (ii) in the case of euro, a day on which the TARGET System is operating (a “TARGET Business Day”) and/or
- (iii) in the case of a currency and/or one or more Business Centres, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in such currency in the Business Centre(s) or, if no currency is indicated, generally in each of the Business Centres.

“Day Count Fraction” means, in respect of the calculation of an amount of interest on any Note for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Period or Interest Accrual Period, the “Calculation Period”):

- (i) if “Actual/Actual” or “Actual/Actual — ISDA” is specified hereon, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (ii) if “Actual/365 (Fixed)” is specified hereon, the actual number of days in the Calculation Period divided by 365;
- (iii) if “Actual/360” is specified hereon, the actual number of days in the Calculation Period divided by 360;
- (iv) if “30/360”, “360/360” or “Bond Basis” is specified hereon, the number of days in the Calculation Period divided by 360 calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“Y₁” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“Y₂” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“M₁” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“M₂” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“D₁” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D₁ will be 30; and

“D₂” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D₁ is greater than 29, in which case D₂ will be 30;

- (v) if “30E/360” or “Eurobond Basis” is specified hereon, the number of days in the Calculation Period divided by 360

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“Y₁” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“Y₂” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“M₁” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“M₂” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“D₁” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D₁ will be 30; and

“D₂” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D₂ will be 30;

- (vi) if “30E/360 (ISDA)” is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“Y₁” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“Y₂” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“M₁” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“M₂” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“D₁” is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D₁ will be 30; and

“D₂” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D₂ will be 30; and

- (vii) if “Actual/Actual — ICMA” is specified hereon, (a) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and (b) if the Calculation Period is longer than one Determination Period, the sum of: (x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and (y) the number of days in such Calculation Period

falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year where:

“Determination Period” means the period from and including a Determination Date in any year to but excluding the next Determination Date.

“Determination Date” means each date specified hereon or, if none is so specified, each Interest Payment Date.

“Euro-zone” means the region comprised of member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community as amended by the Treaty on European Union and the Treaty of Amsterdam.

“Interest Accrual Period” means the period beginning on the Interest Commencement Date and ending on the first Interest Period Date and each successive period beginning on an Interest Period Date and ending on the next succeeding Interest Period Date.

“Interest Amount” means:

- (i) in respect of an Interest Accrual Period, the amount of interest payable per Calculation Amount for that Interest Accrual Period and which, and in the case of Fixed Rate Notes, and unless otherwise specified hereon, shall mean the Fixed Coupon Amount or Broken Amount specified hereon as being payable on the Interest Payment Date ending the Interest Period of which such Interest Accrual Period forms part; and
- (ii) in respect of any other period, the amount of interest payable per Calculation Amount for that period.

“Interest Commencement Date” means the Issue Date or such other date as may be specified hereon.

“Interest Determination Date” means, with respect to a Rate of Interest and Interest Accrual Period, the date specified as such hereon or, if none is so specified, (i) the first day of such Interest Accrual Period if the Specified Currency is Sterling or (ii) the day falling two Business Days in London for the Specified Currency prior to the first day of such Interest Accrual Period if the Relevant Currency is neither Sterling nor euro or (iii) the day falling two TARGET Business Days prior to the first day of such Interest Accrual Period if the Relevant Currency is euro.

“Interest Period” means the period beginning on the Interest Commencement Date and ending on the first Interest Payment Date and each successive period beginning on an Interest Payment Date and ending on the next succeeding Interest Payment Date.

“Interest Period Date” means each Interest Payment Date unless otherwise specified hereon.

“ISDA Definitions” means the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc., unless otherwise specified hereon.

“Rate of Interest” means the rate of interest payable from time to time in respect of this Note and that is either specified or calculated in accordance with the provisions hereon.

“Reference Banks” means, in the case of a determination of LIBOR, the principal London office of four major banks in the London inter-bank market and, in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market, in each case selected by the Calculation Agent or as specified hereon.

“Reference Rate” means the rate specified as such hereon.

“Relevant Screen Page” means such page, section, caption, column or other part of a particular information service as may be specified hereon.

“Specified Currency” means the currency specified as such hereon or, if none is specified, the currency in which the Notes are denominated.

“TARGET System” means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET2) System which was launched on 19 November 2007 or any successor thereto.

(k) Calculation Agent

The Issuer will procure that there shall at all times be one or more Calculation Agents if provision is made for them in the Conditions applicable to this Note and for so long as it is outstanding. Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Accrual Period or to calculate the Interest Amounts or any other requirements, the Issuer will appoint the London office of a leading bank engaged in the London interbank market to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

5. Redemption, Purchase and Options

(a) Final Redemption

Unless previously redeemed, purchased and cancelled as provided below, each Note will be redeemed at its Final Redemption Amount (which, unless otherwise provided, is its nominal amount) on the Maturity Date specified on each Note.

(b) Redemption for taxation reasons

If, as a result of any amendment to or change in the laws or regulations of Ireland or any political subdivision thereof or any authority or agency therein or thereof having power to tax or in the officially published application or interpretation of any such laws or regulations which becomes effective on or after the Issue Date, the Issuer would, on the occasion of the next payment date in respect of the Notes, be required to pay additional amounts as provided in Condition 8 the Issuer may, at its option but subject to obtaining the prior approval of the National Treasury Management Agency in its capacity as operator of the ELG Scheme (the “Scheme Operator”), on any Interest Payment Date (if this Note is either a Floating Rate Note or an Index Linked Note) or at any time (if this Note is neither a Floating Rate Note nor an Index Linked Note) on giving not more than 45 nor less than 30 days’ notice to the Noteholders (which notice shall be irrevocable) in accordance with Condition 14 redeem all, but not some only, of the Notes at their Early Redemption Amount (as described in Condition 5(d)) together with interest accrued to the date fixed for redemption, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due. Prior to the publication of any notice of redemption pursuant to this Condition 5(b), the Issuer shall deliver to the Agent a certificate signed by two persons each of whom is a Director of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of the facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred.

(c) Purchases

The Issuer and any of its subsidiaries may at any time purchase Notes (provided that all unmatured Receipts and Coupons and unexchanged Talons appertaining thereto are attached or surrendered therewith) in the open market or otherwise at any price.

(d) Early Redemption

(i) Zero Coupon Notes

- (A) The Early Redemption Amount payable in respect of any Zero Coupon Note, the Early Redemption Amount of which is not linked to an index and/or a formula, upon redemption of such Note pursuant to paragraph (b) above or upon it becoming due and payable as provided in Condition 10 shall be the Amortised Face Amount (calculated as provided below) of such Note unless otherwise specified hereon.
- (B) Subject to the provisions of sub-paragraph (C) below, the Amortised Face Amount of any such Note shall be the scheduled Final Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown hereon, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually.
- (C) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 5(b) or upon it becoming due and payable as provided in Condition 10 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of

such Note as defined in sub-paragraph (B) above, except that such sub-paragraph shall have effect as though the reference therein to the date on which the Note becomes due and payable were replaced by a reference to the Relevant Date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph will continue to be made (both before and after judgment), until the Relevant Date unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount of such Note together with any interest which may accrue in accordance with Condition 4(c).

Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown hereon.

(ii) Other Notes

The Early Redemption Amount payable in respect of any Note (other than Notes described in (i) above), upon redemption of such Note pursuant to Condition 5(b) or upon it becoming due and payable as provided in Condition 10, shall be the Final Redemption Amount unless otherwise specified hereon.

(e) Redemption at the Option of the Issuer

If Call Option is specified on the Notes, the Issuer may, subject to obtaining the prior approval of the Scheme Operator and on giving not less than 15 nor more than 30 days' irrevocable notice to the Noteholders (or such other notice period as may be specified on the Notes) redeem all or, if so provided, some of the Notes on any Optional Redemption Date. Any such redemption of Notes shall be at their Redemption Amount together with interest accrued to the date fixed for redemption.

Any such redemption or exercise must relate to Notes of a nominal amount at least equal to the Minimum Redemption Amount to be redeemed specified hereon and no greater than the Maximum Redemption Amount to be redeemed specified hereon.

All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition.

In the case of a partial redemption the notice to Noteholders shall also contain the serial numbers of the Notes to be redeemed, which shall have been drawn in such place as the Agent may approve and in such manner as it deems appropriate, subject to compliance with any applicable laws and stock exchange requirements.

(f) Redemption at the Option of Noteholders

If Put Option is specified on this Note, the Issuer shall, at the option of the holder of any such Note, upon the holder of such Note giving not less than 15 nor more than 30 days' notice to the Issuer (or such other notice period as may be specified hereon) redeem such Note on the Optional Redemption Date(s) at its Optional Redemption Amount together with interest accrued to the date fixed for redemption.

To exercise such option the holder must deposit such Note with any Paying Agent at its specified office, together with a duly completed option exercise notice ("Exercise Notice") in the form obtainable from any Paying Agent within the notice period. No Note so deposited and option exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

(g) Redemption by Instalments

Unless previously redeemed, purchased and cancelled as provided in this Condition 5, each Note which provides for Instalment Dates and Instalment Amounts will be partially redeemed on each Instalment Date at the Instalment Amount specified on it, whereupon the outstanding principal amount of such Note shall be reduced by the Instalment Amount for all purposes.

(h) Partly Paid Notes

Partly Paid Notes will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition and the provisions specified hereon.

(i) Cancellation

All Notes purchased by or on behalf of the Issuer or any of its subsidiaries may be surrendered to the Agent for cancellation and, if so surrendered, will, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with all unmatured Receipts and Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Notes so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer and the Guarantor in respect of any such Notes shall be discharged.

6. Range Accrual Notes

The Issuer may issue Notes (“Range Accrual Notes”) in respect of which, any Range Accrual Rate of Interest and/or any Range Accrual Final Redemption Amount (as specified in the applicable Final Terms) is determined by reference to the number of days during a specified period (an “Observation Period”) that a predetermined event or events (each a “Fixing Event”) occurs or does not occur (as specified in the applicable Final Terms) as a proportion of the total number of days (each an “Observation Day”) within such Observation Period (such portion, the “Index Ratio”). Amounts payable under Range Accrual Notes may also be determined by multiplying the Index Ratio by one or more indices, formulae, currency exchange rates, rates, commodities, debt securities, equities or other variable, option or combination thereof (each an “Underlying Coupon”).

The calculation of the numerator component of the Index Ratio may be determined by reference to:

- (i) the number of days during an Observation Period that a Fixing Event occurs;
- (ii) the number of days during an Observation Period before a Fixing Event occurs;
- (iii) the number of days during an Observation Period before a Fixing Event does not occur;
- (iv) the number of days during an Observation Period that no Fixing Event occurs;
- (v) the number of days during an Observation Period before a Fixing Event occurs for a specified number of times; or
- (vi) a multiple of the number of days during an Observation Period that a Fixing Event occurs minus a multiple of the number of days that the Fixing Event does not occur in that Observation Period.

The above sets out just some of the methodologies that may be used to determine the numerator component of the Index Ratio. It is not intended to be an exhaustive list and other calculation methodologies may be used to determine such ratio as set out in the applicable Final Terms.

The Fixing Event may be, but is not limited to, the value or other function of, one or more indices, formulae, currency exchange rates, rates, commodities, debt securities, equities or other variable or a combination thereof (the “Observable Rate”), exceeding and/or equalling and/or being lower than and/or equalling one or more predetermined criteria (the “Strike” or “Strikes”), as specified in the applicable Final Terms. The Strike may also be defined with reference to the value or other function of, one or more indices, formulae, currency exchange rates, rates, commodities, debt securities, equities or other variable or a combination thereof.

The Fixing Event may be observed on each Observation Date at a specified time or may be continually observed during the Observation Period or may be observed on such other date or time as specified in the applicable Final Terms.

The total number of days during the Observation Period in which the Fixing Event is observed may vary. For example, if a Fixing Event:

- (i) occurs on an Observation Date during the Observation Period, observation of the Fixing Event may continue to be observed on each subsequent Observation Date during the Observation Period; or
- (ii) does not occur on an Observation Date, the observation of the Fixing Event (and the number of days on which a Fixing Event is determined to have occurred) may cease on such date, notwithstanding the total number of Observation Days left in such Observation Period. Such Notes are referred to as “Knock-Out Range Accrual Notes”; or
- (iii) does not occur on an Observation Date for a specified number of times, the observation of the Fixing Event (and the number of days on which a Fixing Event is determined not to have occurred) may cease on such date, notwithstanding the total number of Observation Days left in such Observation Period. Such Notes are referred to (also known as Knock-Out Range Accrual Notes).

The Observation Period and the period in which the interest payable and/or any amount payable on redemption of the Notes are determined maybe the same or they may relate to different chronological periods and may be of different lengths. For the avoidance of doubt, the days upon which the Fixing Event is observed could be any subset of days within such period or any other period or periods, including, but not limited to, a period of one day only.

7. Payments and Talons

(a) Payments

Payments of principal and interest in respect of Notes will, subject as mentioned below, be made against presentation and surrender of the relevant Receipts (in the case of payments of Instalment Amounts other than on the due date for redemption and provided that the Receipt is presented for payment together with its relative Note), Notes (in the case of all other payments of principal and, in the case of interest, as specified in Condition 7(e)(vi)) or Coupons (in the case of interest, save as specified in Condition 7(e)(vi)), as the case may be, at the specified office of any Paying Agent outside the United States by a cheque payable in the relevant currency drawn on, or, at the option of the holders, by transfer to an account denominated in such currency with, a bank in the principal financial centre for such currency or, in the case of euro, in a city in which banks have access to the TARGET System.

(b) Payments in the United States

Notwithstanding the foregoing, if any Notes are denominated in U.S. dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Notes in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law, without involving, in the opinion of the Issuer, adverse tax consequence to the Issuer.

(c) Payments subject to law etc.

All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives, but without prejudice to the provisions of Condition 8. No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

(d) Appointment of Agents

The Agent, the other Paying Agents and the Calculation Agent initially appointed by the Issuer and their respective specified offices are listed below. The Agent, the other Paying Agents and the Calculation Agent act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any holder. The Issuer reserves the right at any time to vary or terminate the appointment of the Agent, any other Paying Agent or the Calculation Agent and to appoint additional or other Paying Agents, provided that the Issuer will at all times maintain (i) an Agent, (ii) a Calculation Agent where the Conditions so require one, (iii) a Paying Agent having a specified office in at least two major European cities and (iv) a Paying Agent having a specified office in a European Union member state that is not obliged to withhold or deduct tax pursuant to any law implementing European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000.

In addition, the Issuer shall forthwith appoint a Paying Agent in New York in respect of any Notes denominated in U.S. dollars in the circumstances described in paragraph (b) above.

Notice of any such change or any change of any specified office will promptly be given to the Noteholders in accordance with Condition 14.

(e) Unmatured Coupons and Receipts and unexchanged Talons

- (i) Upon the due date for redemption of Notes, Notes which comprise Fixed Rate Notes (other than Dual Currency Notes or Index Linked Notes) should be surrendered for payment together with all unmatured Coupons (if any) relating thereto, failing which an amount equal to the face value of each missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmatured Coupon which the sum of principal so paid bears to the total principal due) will be deducted from the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, due for payment. Any amount so deducted will be paid in the manner mentioned above against surrender of such missing Coupon within a period of 10 years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 9).

- (ii) Upon the due date for redemption of any Note comprising a Floating Rate Note, Dual Currency Note or Index Linked Note, unmatured Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.
- (iii) Upon the due date for redemption of any Note, any unexchanged Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.
- (iv) Upon the due date for redemption of any Note which is redeemable in instalments, all Receipts relating to such Note having an Instalment Date falling on or after such due date (whether or not attached) shall become void and no payment shall be made in respect of them.
- (v) Where any Note which provides that the relative Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all unmatured Coupons and any unexchanged Talon relating to it, and where any Note is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provisions of such indemnity as the Issuer may require.
- (vi) If the due date for redemption of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Note. Interest accrued on a Note which only bears interest after its Maturity Date shall be payable on redemption of such Note against presentation thereof.

(f) Talons

On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons which may have become void pursuant to Condition 9).

(g) Non-Business Days

If any date for payment in respect of any Note, Receipt or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this paragraph, "business day" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in the relevant place of presentation, in such jurisdictions as shall be specified as "Financial Centres" hereon and:

- (i) (in the case of a payment in a currency other than euro) where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency; or
- (ii) (in the case of a payment in euro) which is a TARGET Business Day.

8. Taxation

All payments of principal and interest in respect of the Notes, the Receipts and the Coupons by the Issuer shall be made free and clear of, and without deduction or withholding for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Ireland, or any authority therein or thereof having power to tax, unless such deduction or withholding is required by law. In such event, the Issuer shall pay such additional amounts as will result in receipt by the Noteholders or, as the case may be, the Couponholders of such amounts as would have been received by them had no such deduction or withholding been required, except that no such additional amounts shall be payable with respect to any Note, Receipt or Coupon:

- (i) presented for payment by or on behalf of a holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note, Receipt or Coupon by reason of his having some connection with Ireland other than the mere holding of such Note, Receipt or Coupon or the receipt of the relevant payment in respect thereof; or
- (ii) presented for payment more than 30 days after the Relevant Date, except to the extent that the holder thereof would have been entitled to such additional amounts on presenting the same for payment on such thirtieth day; or

- (iii) presented by, or by a third party on behalf of, a holder who could lawfully avoid (but has not so avoided) such deduction or withholding by complying or procuring that any third party complies with any statutory requirements or by making or procuring that any third party makes a declaration of non-residence or other similar claim for exemption to any tax authority in the place where the relevant Note, Receipt or Coupon is presented for payment; or
- (iv) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000; or
- (v) presented for payment by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Note and/or Receipt and/or Coupon to another Paying Agent in a Member State of the European Union.

As used in these Conditions, “Relevant Date” in respect of any Note, Receipt or Coupon means the date on which payment in respect thereof first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date on which notice is duly given to the Noteholders in accordance with Condition 14 that, upon further presentation of the Note, Receipt or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation. References in these Conditions to (i) “principal” shall be deemed to include any premium payable in respect of the Notes, all Instalment Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts, Amortised Face Amounts and all other amounts in the nature of principal payable pursuant to Condition 5 or any amendment or supplement to it, (ii) “interest” shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 4 or any amendment or supplement to it and (iii) “principal” and/or “interest” shall be deemed to include any additional amounts which may be payable under this Condition.

9. Prescription

Claims against the Issuer for payment in respect of the Notes, Receipts and Coupons (which, for this purpose, shall not include Talons) shall be prescribed and become void unless made within ten years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect thereof.

10. Events of Default

If any of the following events (“Events of Default”) occurs and is continuing, the holder of any Note may give written notice to the Agent at its specified office that such Note is immediately repayable, whereupon the Early Redemption Amount of such Note together with accrued interest to the date of payment shall become immediately due and payable:

- (a) *Non-Payment*: default is made for more than 15 days (in the case of interest) or seven days (in the case of principal) after the due date for payment of interest or principal in respect of any of the Notes provided that it shall not be an Event of Default if the non-payment is due solely to administrative error (whether by the Issuer or a bank involved in transferring funds to the Agent) and payment is made within three Relevant Business Days in London after notice of that non-payment has been given to the Agent by any Noteholder; or
- (b) *Breach of Other Obligations*: the Issuer does not perform or comply with any one or more of its other obligations in the Notes which default is incapable of remedy or is not remedied within 60 days after notice of such default shall have been given to the Agent at its specified office by any Noteholder; or
- (c) *Enforcement Proceedings*: a distress, attachment, execution or other legal process is levied, enforced or sued out on or against any material part of the property, assets or revenues of the Issuer or any of its Material Subsidiaries and is not discharged or stayed within 60 days; or
- (d) *Insolvency*: the Issuer or any of its Material Subsidiaries is (or is, or could be, deemed by law or a court to be) insolvent or is unable or deemed to be unable to pay its debts (within the meaning of section 214 of the Companies Act 1963 – 2009 of Ireland as amended by section 123 of the Companies Act 1990 of Ireland or section 21 or 28 of the Central Bank Act 1971 of Ireland), as the same may be amended, modified or re-enacted, or admits in writing its inability to pay its debts as they mature; or
- (e) *Winding-up*: an order is made or an effective resolution passed for the winding-up or dissolution of the Issuer or any of its Material Subsidiaries, or the Issuer ceases or threatens to cease to carry on all or a material part of its business or operations, except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation (i) on terms approved by an Extraordinary Resolution (as defined in the Agency Agreement) of the Noteholders, or (ii) in the case of a winding-up or dissolution of a Material

Subsidiary, whereby the undertaking and assets of the Material Subsidiary are transferred to or otherwise vested in the Issuer or one or more of its Subsidiaries.

Any such notice by a Noteholder to the Agent shall specify the serial number(s) of the Note(s) concerned. For the purposes of this Condition:

“Material Subsidiary” means any Subsidiary of the Issuer the amount of whose gross assets (being the sum of fixed assets and current assets but excluding any assets of such Subsidiary which are excluded in the latest audited consolidated accounts of the Issuer referred to in (i) and (ii) below) are equal to or exceed 10 per cent. of the consolidated gross assets of the Issuer and its Subsidiaries, where:

- (i) the gross assets of such Subsidiary have been ascertained by reference to:
 - (a) the accounts (consolidated in the case of a company which itself has Subsidiaries and which, in the normal course, prepares consolidated accounts) of such Subsidiary based upon which the latest audited consolidated accounts of the Issuer have been made up; or
 - (b) if such Subsidiary becomes a Subsidiary of the Issuer after the end of the financial period to which these latest audited consolidated accounts of the Issuer relate, the latest accounts (consolidated in the case of a company which itself has Subsidiaries and which, in the normal course, prepares consolidated accounts) of such Subsidiary;
- (iii) the consolidated gross assets of the Issuer and its Subsidiaries shall be ascertained by reference to the latest audited consolidated accounts of the Issuer; and

“Subsidiary” means a subsidiary for the purposes of Section 155 of the Companies Act 1963 – 2009 of Ireland.

A report of the auditors for the time being of the Issuer that in their opinion a Subsidiary of the Issuer is or is not or was or was not at any particular time or any specified period a Material Subsidiary shall, in the absence of manifest error, be conclusive and binding.

11. Meetings of Noteholders and Modifications

(a) Meetings of Noteholders

The Agency Agreement contains provisions for convening meetings of Noteholders to consider any matter affecting their interest, including modification by Extraordinary Resolution of the Notes (including these Conditions insofar as the same may apply to such Notes). An Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders, whether present or not and on all relevant Couponholders, except that any Extraordinary Resolution proposed, inter alia, (i) to amend the dates of maturity or redemption of the Notes, any Instalment Date or any date for payment of interest or Interest Amounts thereon, (ii) to reduce or cancel the principal amount or any Instalment Amount of, or any premium payable on redemption of, the Notes, (iii) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating any Interest Amount in respect thereof, (iv) if there is shown on the face of the Notes a Minimum Rate of Interest and/or a Maximum Rate of Interest, to reduce such Minimum Rate of Interest and/or such Maximum Rate of Interest, (v) to change any method of calculating the Final Redemption Amount, the Early Redemption Amount, the Optional Redemption Amount or the Amortised Face Amount of any Note, (vi) to change the currency or currencies of payment of the Notes (other than upon the country of such currency adopting the euro as its currency) or (vii) to modify the provisions concerning the quorum required at any meeting of Noteholders or any adjournment thereof or the majority required to pass an Extraordinary Resolution, will only be binding if passed at a meeting of the Noteholders (or at any adjournment thereof) at which a special quorum (provided for in the Agency Agreement) is present.

These Conditions may be amended, modified, or varied in relation to any Series of Notes by the terms of the relevant Final Terms in relation to such Series.

(b) Modification of Agency Agreement

The Issuer shall only permit any modification of, or any waiver or authorisation of any breach or proposed breach of or any failure to comply with, the Agency Agreement (including for the avoidance of doubt the terms and conditions of the Notes scheduled thereto and all other provisions set out in the Schedules forming part of the Agency Agreement), if to do so could not reasonably be expected to be prejudicial to the interests of the Noteholders and provided it has obtained the prior written consent of the Scheme Operator. The Issuer will consult with the Scheme Operator on a timely basis in advance of any such proposed amendment, waiver or authorisation.

12. Replacement of Notes, Receipts, Coupons and Talons

If a Note, Receipt, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed it may be replaced, subject to applicable laws and stock exchange regulations, at the specified office of the Agent or such other Paying Agent as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders in accordance with Condition 14 on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Note, Receipt, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there will be paid to the Issuer on demand the amount payable by the Issuer in respect of such Notes, Receipts, Coupons or further Coupons) and otherwise as the Issuer may require. Mutilated or defaced Notes, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

13. Further Issues

The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further notes having the same terms and conditions as the Notes and so that the same shall be consolidated and form a single series with such Notes, and references in these Conditions to “Notes” shall be construed accordingly.

14. Notices

Notices to the holders of Notes will be valid if published in a daily newspaper of general circulation in London and Dublin or if such publication is not practicable, in another leading daily English language newspaper of general circulation in Europe approved by the Agent. It is expected that such publication will be made in the *Financial Times* in London and in *The Irish Times* in Dublin. Notices, will, if published more than once, be deemed to have been given on the date of the first publication as provided above.

Couponholders shall be deemed for all purposes to have notice of the contents of any notice to the holders of Notes in accordance with this Condition.

15. Contracts (Rights of Third Parties) Act 1999

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999.

16. Governing Law and Jurisdiction

(a) Governing Law

The Notes, the Receipts, the Coupons and the Talons and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law. The Guarantee is governed by, and shall be construed in accordance with, Irish law.

(b) Jurisdiction

The Courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with any Notes, Receipts, Coupons or Talons and accordingly any legal action or proceedings arising out of or in connection with any Notes, Receipts, Coupons or Talons (“Proceedings”) may be brought in such courts. The Issuer submits to the jurisdiction of the courts of England and waives any objection to Proceedings in such courts on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. This submission is made for the benefit of each of the holders of the Notes, Receipts, Coupons and Talons and shall not affect the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

If any proceedings were brought against the Guarantor under or relating to the Guarantee, it should be noted that the Guarantor has not agreed to those proceedings being brought before any particular courts and accordingly proceedings against the Guarantor would in all likelihood have to be taken before the courts of Ireland.

(c) Service of Process

The Issuer agrees that the process by which any proceedings in England are begun may be served on it by being delivered to the London branch of the Issuer at Bankcentre-Britain, Belmont Road, Uxbridge, Middlesex UB8 1SA or at any other address for the time being at which process may be served on it in accordance with Part 34 of the Companies Act 2006 (as modified or re-enacted from time to time). If for any reason service of process cannot be made in accordance with the above,

the Issuer must immediately appoint an agent for service of process and notify the Noteholders of such appointment. The Issuer agrees that failure by a process agent to notify it of any process will not invalidate the relevant proceedings. This Condition does not affect any other method of service allowed by law.

SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

Each Tranche of Notes with a maturity of more than 365 days will initially be represented by a temporary Global Note, unless the Agent is notified to the contrary by AIB, and each Tranche of Notes with a maturity of 365 days or less, or in relation to which AIB so notifies the Agent, will be initially represented by a permanent Global Note, each in bearer form without Coupons, Talons or Receipts.

If the Global Notes are stated in the applicable Final Terms to be issued in new global note (“NGN”) form they are intended to be eligible collateral for Eurosystem monetary policy and the Global Notes will be delivered on or prior to the original issue date of the Tranche to the Common Safekeeper. Depositing the Global Notes with the Common Safekeeper does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue, or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.

Global Notes which are not issued in NGN form (each a “CGN” and together, the “CGNs”) may be delivered on or prior to the original issue date of the Tranche to a common depository (the “Common Depository”) for Euroclear and Clearstream, Luxembourg.

If the Global Note is a CGN, upon the initial deposit of a Global Note with the Common Depository, Euroclear or Clearstream, Luxembourg will credit each subscriber with a principal amount of Notes equal to the principal amount thereof for which it has subscribed and paid. If the Global Note is an NGN, the nominal amount of the Notes shall be the aggregate amount from time to time entered in the records of Euroclear or Clearstream, Luxembourg. The records of such clearing system shall be conclusive evidence of the nominal amount of Notes represented by the Global Note and a statement issued by such clearing system at any time shall be conclusive evidence of the records of the relevant clearing system at that time.

In the case of a Tranche intended to be cleared through a clearing system other than Euroclear or Clearstream, Luxembourg or delivered outside a clearing system, the Global Note will be deposited as agreed between AIB, the Agent and the relevant Dealer(s). No interest will be payable in respect of a temporary Global Note, except as provided below.

Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg (or any other clearing system) as the holder of a Note represented by a Global Note must look solely to Euroclear or Clearstream, Luxembourg (or any other clearing system) (as the case may be) for his share of each payment made by AIB to the bearer of such Global Note and in relation to all other rights arising under the Global Notes, subject to and in accordance with the respective rules and procedures of Euroclear and Clearstream, Luxembourg (or any other clearing system). Such persons shall have no claim directly against AIB in respect of payments due on the Notes for so long as the Notes are represented by such Global Note and such obligations of AIB will be discharged by payment to the bearer of such Global Note in respect of each amount so paid. The temporary Global Notes and the permanent Global Notes contain provisions which apply to the Notes while they are in global form, some of which modify the effect of the terms and conditions of the Notes set out in this document. The following is a summary of certain of those provisions:

1. Exchange

Each temporary Global Note will be exchangeable in whole or in part for interests in a permanent Global Note or, if so provided in a temporary Global Note, for Definitive Notes after the date falling 40 days after the issue date of the Notes upon certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement. Each permanent Global Note is exchangeable in whole, or in the case of Partly Paid Notes only, in part, for Definitive Notes on or after the Exchange Date specified in the notices referred to hereafter by the holder thereof giving notice to the Agent at the cost and expense of AIB (i) if the permanent Global Note is held on behalf of a clearing system and such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so or (ii) if an Event of Default occurs in relation to the Notes represented by such permanent Global Note.

If the Global Note is a CGN, on or after any Exchange Date (as defined below) the holder of a Global Note may surrender such Global Note or, in the case of a partial exchange, present it for endorsement to or to the order of the Agent. In exchange for any Global Note, or the part thereof to be exchanged, AIB will (i) in the case of a temporary Global Note exchangeable for a permanent Global Note, deliver, or procure the delivery of, a permanent Global Note in an aggregate nominal amount equal to that of the whole or that part of a temporary Global Note that is being exchanged or, in the case of a subsequent exchange, endorse, or procure the endorsement of, a permanent Global Note to reflect such exchange or (ii) in the case of a Global Note exchangeable for Definitive Notes, deliver, or procure the delivery of, an equal aggregate nominal amount of duly executed and authenticated Definitive Notes (if appropriate, having attached to them all Coupons and Receipts in respect of interest or Instalment Amounts which have not already been paid on the Global Note and a Talon) or if the Global Note is an NGN, AIB will procure that details of such exchange be entered *pro rata* in the records of the relevant clearing system. Definitive Notes will be security printed in accordance with any applicable legal and stock exchange requirements and in or substantially in the form set out in Schedule 5 to the Agency Agreement. On exchange in full of each Global Note, AIB

will, if the holder so requests, procure that it is cancelled and returned to the holder together with the relevant Definitive Notes.

“Exchange Date” means a day falling not less than 60 days after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Agent is located and in the cities in which the relevant clearing system is located.

2. Payments

No payment falling due more than 40 days after its issue date will be made on a temporary Global Note unless exchange for an interest in a permanent Global Note or for Definitive Notes is improperly withheld or refused. Payments on any temporary Global Note during the period up to 40 days after its issue date will only be made against presentation of certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement. All payments in respect of CGNs represented by a Global Note will be made against presentation for endorsement and, if no further payment falls to be made in respect of the Notes, surrender of that Global Note to or to the order of the Agent or such other Paying Agent as shall have been notified to the Noteholders for such purpose. If the Global Note is a CGN, a record of each payment so made will be endorsed in the appropriate schedule to each Global Note, which endorsement will be prima facie evidence that such payment has been made in respect of the Notes. Condition 7(d)(iv) and Condition 8(v) will apply to the Definitive Notes only. If the Global Note is an NGN, AIB shall procure that details of each such payment shall be entered *pro rata* in the records of the relevant clearing system and the nominal amount of the Notes recorded in the records of the relevant clearing system and represented by the Global Note will be reduced accordingly. Each payment so made will discharge AIB’s obligations in respect thereof. Any failure to make the entries in the records of the relevant clearing system shall not affect such discharge.

3. Notices

So long as all the Notes of any Series are represented by a permanent Global Note and such permanent Global Note is held on behalf of a clearing system, notices to Noteholders of that Series may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by the Conditions.

4. Prescription

Claims against AIB in respect of Notes which are represented by a permanent Global Note will become void unless it is presented for payment within a period of 10 years (in the case of principal) and five years (in the case of interest) from the appropriate Relevant Date (as defined in Condition 8).

5. Meetings

The holder of a permanent Global Note will be treated as being two persons for the purposes of any quorum requirements of a meeting of Noteholders and, at any such meeting, as having one vote in respect of each integral currency unit of the Specified Currency of Notes for which such Global Note may be exchanged.

6. Purchase and Cancellation

Cancellation of any Note surrendered for cancellation following its purchase will be effected by reduction in the principal amount of the relevant Global Note.

7. Default

Each Global Note representing Notes provides that the holder may cause such Global Note, or a portion of it, to become due and repayable in the circumstances described in Condition 10 by stating in the notice to the Agent the nominal amount of such Global Note which is becoming due and repayable. Upon such notice being given by or through a common depositary for Euroclear and Clearstream, Luxembourg or if so specified by the holder giving such notice, the Global Note will become void as to the relevant amount and the persons entitled to such amount as accountholders with a clearing system will acquire direct enforcement rights against AIB under the terms of a Deed of Covenant executed as a deed by AIB on 14 November 2008 (the “Deed of Covenant”).

8. AIB’s Option

No drawing of Notes will be required under Condition 5 in the event that AIB exercises any option relating to those Notes while all such Notes which are outstanding are represented by a permanent Global Note. In the event that any option of AIB is exercised in respect of some but not all of the Notes of any series, the rights of accountholders with Euroclear and

Clearstream, Luxembourg in respect of the Notes will be governed by the standard procedures of Euroclear and/or Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion) or any other clearing system (as the case may be).

9. Noteholders' Option

Any Noteholders' option may be exercised by the holder of a permanent Global Note giving notice to the Agent of the nominal amount of Notes in respect of which the option is exercised and, where the permanent Global Note is a CGN, presenting such permanent Global Note for endorsement of exercise within the time limits specified in the Conditions. Where the Global Note is an NGN, AIB shall procure that details of such exercise shall be entered *pro rata* in the records of the relevant clearing system and the nominal amount of the Notes recorded in those records will be reduced accordingly.

10. NGN nominal amount

Where the Global Note is an NGN, AIB shall procure that any exchange, payment, cancellation, exercise of any option or any right under the Notes, as the case may be, in addition to the circumstances set out above shall be entered in the records of the relevant clearing systems and upon any such entry being made, the nominal amount of the Notes represented by such Global Note shall be adjusted accordingly.

11. Partly Paid Notes

The provisions relating to Partly Paid Notes will be contained in the Global Notes. For so long as any instalments of the subscription moneys due from the holder of Partly Paid Notes are due, no interest in a Global Note representing such Notes may be exchanged for an interest in a permanent Global Note or for Definitive Notes (as the case may be). In the event that any Noteholder fails to pay any instalment due on any Partly Paid Notes within the time specified, AIB will be entitled to forfeit such Notes and shall have no further obligation to their holder in respect of them.

USE OF PROCEEDS

The net proceeds of the sale of any Tranche of Notes will be used for the general funding purposes of the Issuer. If, in respect of any particular issue, there is a particular identified use of proceeds, this will be stated in the applicable Final Terms.

ALLIED IRISH BANKS, p.l.c.

AIB and its subsidiaries (together, the “AIB Group”) provides a diverse range of banking, financial and related services, principally in Ireland, the United Kingdom (“UK”), the United States (“US”) and Poland.

AIB has some 182 branches, 89 sub offices and 15 business centres in Ireland, where, according to Central Bank data, its share of the total market for both euro loans and deposits is in excess of 20 per cent.

In Northern Ireland, through its wholly-owned subsidiary AIB Group (UK) p.l.c., which trades there as First Trust Bank, AIB Group operates from some 48 branches and outlets.

In Britain, AIB Group (UK) p.l.c., which trades there as Allied Irish Bank (GB), provides a range of banking services through 30 branches and 4 development offices.

Since 1 April 2003, AIB’s main involvement in the US has been carried on through its interest in M&T Bank Corporation (“M&T”). M&T has its headquarters in Buffalo, New York and has a branch network of approximately 800 branches in seven States and the District of Columbia. AIB’s direct presence in the US consists of corporate banking, treasury and financial services for not-for-profit businesses based in New York, with offices in a number of other principal US cities.

In Poland, the AIB Group operates from 513 branches and 75 outlets, primarily in Western and Central Poland, through its 70.4 per cent. owned subsidiary Bank Zachodni WBK S.A.

AIB is the holding company of all the companies in the AIB 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 the AIB Group and the revenues received by them.

AIB, originally named Allied Irish Banks Limited, is a public limited company incorporated in Ireland on 22 September 1966 under the Companies Act, 1963 with registration number 24173 as a result of the amalgamation of three long established banks (the “constituent banks”) with assets aggregating €324 million. At that time, the shares of the Munster and Leinster Bank Limited (established 1885), the Provincial Bank of Ireland Limited (established 1825) and the Royal Bank of Ireland Limited (established 1836) were acquired by and were transferred to AIB as a holding company. In 1972, AIB became the sole banking entity in place of the three constituent banks, other than with regard to the currency note issue of the Provincial Bank of Ireland Limited in Northern Ireland, which was transferred to AIB in 1982. This power to issue bank notes in Northern Ireland was transferred to AIB Group (UK) p.l.c. (formerly AIB Group Northern Ireland p.l.c.) with effect from 10 January 1994. AIB is regulated by the Financial Regulator.

BOARD OF DIRECTORS AND EXECUTIVE OFFICERS OF AIB

Certain information in respect of Board of Directors and Executive Officers of AIB as of the date of this Exempt Offering Memorandum is set out below.

Name	Function within AIB Group/Principal Outside Activities
Chairman	
† Dan O'Connor	Executive Chairman of AIB, Director of CRH
Deputy Chariman	
Dr. Michael Somers	Dr. Somers is the former Chief Executive of the National Treasury Management Agency. His appointment is by the National Pensions Reserve Fund Commission ("the Commission") in the exercise of its rights under Article 99 of the Articles of Association of Allied Irish Banks, p.l.c. and on foot of a direction to the Commission from the Minister for Finance pursuant to section 19B of the National Pensions Reserve Fund Act 2000 (as amended).
Executive Director	
Colm Doherty	Group Managing Director of AIB
Non-Executive Directors	
○ Declan Collier	Chief Executive of the Dublin Airport Authority. Director of Dublin Airport Authority plc. Chairman of Aer Rianta International cpt and DAA Finance plc. Joined the Board in January 2009 as a nominee of the Minister for Finance under the Irish Government's Guarantee Scheme.
#● Kieran Crowley	Consultant. Founder of Crowley Services Dublin Ltd., which operates the Dyno-Rod franchise in Ireland. Director of AIB Group (UK) p.l.c., AIB Mortgage Bank and former Director of Bank Zachodni WBK S.A., AIB's Polish subsidiary. Former Chairman of the Small Firms Association and member of the Irish Business and Employers' Confederation (IBEC) National Executive Council. Joined the Board in 2004.
#● Stephen Kingon	Chairman of Invest Northern Ireland, the Northern Ireland Centre for Competitiveness and Balcas Limited. Member of the Economic Development Forum and co-chair of the North/South Roundtable Group. Director of AIB Group (UK) plc, Anderson Spratt Group (Holdings) Limited, The Baird Group Limited, Forward Emphasis International Limited, Mivan Limited, Mivan (UK) Limited, Opera Northern Limited and SOS Bus Limited. He has held the following positions and offices in the recent past: Managing Partner of PricewaterhouseCoopers in Northern Ireland; member of the BT Ireland Advisory Board; President of the Northern Ireland Chamber of Commerce and Industry; Chairman of Business in the Community in Northern Ireland, the Ulster Society of Chartered Accountants, and the Institute of Management Consultants in Northern Ireland; and Joint Secretary for the Institute of Chartered Accountants in Ireland. Joined the Board in 2007.
# Anne Maher	Non-Executive Director of Irish Airlines Pensions Limited, Retirement Planning Council of Ireland, Allied Irish Banks Pensions Limited and AIB DC Pensions (Ireland) Limited. Chairman of Medical Professional Competence Steering Committee and Governor of Pensions Policy Institute (UK). Member of Chartered Accountants Regulatory Board and of FTSE Policy Group (UK). Former Chief Executive of The Pensions Board, Chairman of the Irish Association of Pension Funds and member of the Committee for European Insurance and Occupational Pensions Supervisors
●○ Sean O'Driscoll	Group Chief Executive, Glen Dimplex. Member of the University College Cork President's Consultative Board. Appointed by the Irish Government to the high-level group overseeing Ireland's Asia strategy. Awarded an Honorary OBE for his contribution to British industry. Joined the Board in 2006.
#† David Pritchard	Former Group Treasurer, Executive Director, and Non-Executive Deputy Chairman of Lloyds TSB Group plc; spent two years as secondee at the Financial Services Authority

while employed at Lloyds TSB. Former Managing Director Citicorp Investment Bank, London, and former General Manager Royal Bank of Canada Group. Non-Executive Chairman of Songbird Estates plc, Non-Executive Director of Euromoney Institutional Investor PLC., The Motability Tenth Anniversary Trust, and former Non-Executive Director of LCH Clearent Group. Joined the Board in 2007 and was appointed Deputy Chairman for the period May to December 2009.

- † Dick Spring Former Tanaiste (Deputy Prime Minister) of the Republic of Ireland, Minister for Foreign Affairs and leader of the Labour Party. Non-Executive Director, Fexco Holdings Ltd., Chairman of International Development Ireland Ltd., Altobridge Ltd., and Alder Capital Ltd. Director of Repak Ltd. and the Realta Global Aids Foundation Ltd. Joined the Board in January 2009 as a nominee of the Minister for Finance under the Irish Government's Guarantee Scheme.
- Robert Wilmers Chairman and Chief Executive Officer of M&T Bank Corporation ("M&T"), Buffalo, New York State. Served as Chairman of the New York State Bankers' Association in 2002, and as a Director of the Federal Reserve Bank of New York from 1993 to 1998. Joined the Board in 2003, as the designee of M&T, on the acquisition by AIB of a strategic stake in M&T.
- Jennifer Winter Vice-President, Corporate Reputation and Government Affairs, AstraZeneca plc. Former positions and offices held include Chief Executive, The Barretstown Gang Camp Limited, Director of Project Management Holdings Ltd., and Managing Director of SmithKline Beecham, Ireland. Joined the Board in 2004.

† *Nomination and Corporate Governance Committee*

Indicates member of the Audit Committee

● *Indicates member of the Corporate Social Responsibility Committee*

○ *Indicates member of the Remuneration Committee*

The business address of each of the above Directors is c/o Bankcentre, Ballsbridge, Dublin 4.

AIB is not aware of any potential conflicts of interest between the duties to AIB of the Directors listed above and their private interests or other duties.

Executive Committee

Colm Doherty	Managing Director, AIB
Gerry Byrne	Managing Director, AIB Central and Eastern Europe Division
Robbie Henneberry	Managing Director, AIB Bank ROI
Steve Meadows	Director, of Operations and Technology
Mary Toomey	Head of Group Strategic Human Resources
Nick Treble	Managing Director, AIB Group (UK) p.l.c.

Maeliosa O'Hogartaigh was appointed Acting Chief Finance Officer with effect from 7 August 2009.

TAXATION

The following discussion is a summary of certain Irish and United Kingdom tax considerations relating to Notes issued under the Programme. The discussion is based on Irish and UK taxation law and practice in effect on the date of this Exempt Offering Memorandum, relates only to the position of persons who are the absolute beneficial owners of their Notes, Coupons, Talons and Receipts and is for general information only. It does not constitute taxation or legal advice. In particular the discussion does not address the tax consequences for certain classes of person such as dealers and does not necessarily apply where the income is deemed for tax purposes to be the income of any other person. Prospective investors in Notes are urged to consult their tax advisers regarding the applicable tax consequences of acquiring, holding and disposing of Notes based on their particular circumstances.

IRISH TAXATION

(a)(I) Interest - certain exemptions

Subject to the encashment tax rules set out in paragraph (b) below and to the Deposit Interest Retention Tax (“DIRT”) rules set out in paragraph (e) below, all payments of principal and interest on the Notes may be paid by the Issuer without withholding or deduction for or on account of Irish income tax in circumstances where:

- (i) the Notes carry a right to interest which is not yearly interest; or
- (ii) interest on the Notes is paid by the Issuer in the ordinary course of the Issuer carrying on its bona fide banking business in Ireland; or
- (iii) other specific exemptions from interest withholding tax apply.

The Issuer has agreed with the Dealers that it will not issue any Notes where interest is not paid by the Issuer in the ordinary course of its bona fide banking business, unless, at the time of issue, (i) Irish tax law permits or (ii) the Issuer has obtained specific approval from the Irish Revenue Commissioners that all payments of principal and interest on such Notes may be made by the Issuer without withholding or deduction for or on account of Irish income tax or any other Irish taxes or duties of whatever nature, subject to the encashment tax rules set out in paragraph (b) below.

The Irish Department of Finance has confirmed that, under current legislation, no withholding tax would apply to payments made by the Guarantor in respect of the Guarantee.

(a)(II) Interest - Commercial Paper Exemption

For the purpose of this exemption, “commercial paper” is a Note denominated in amounts of not less than €500,000 or US\$500,000 (or another currency equivalent to €500,000 as defined in Section 246A Taxes Consolidation Act 1997 (as amended)) in physical or electronic form which recognises an obligation to pay a stated amount, carries a right to interest or is issued at a premium or discount, and matures within 2 years.

Conditions for exemption

Subject to the encashment tax provisions as summarised in paragraph (b) below, so long as any Note constitutes commercial paper (as outlined above) it shall be exempt from interest withholding tax in the following circumstances:

- (i) if the person by whom or through whom the payment is made is not an Irish resident person and the payment is not made by or through an Irish branch or agency of a non-Irish resident company through which it carries on a trade or business in Ireland and the Note is held in a “recognised clearing system” (within the meaning of Section 246A Taxes Consolidation Act 1997 (as amended)), which includes Euroclear, Clearstream Banking SA and Clearstream Banking AG; or
- (ii) if the person by whom or through whom the payment is made is an Irish resident person or if the payment is made by or through an Irish branch or agency of a non-Irish resident company through which it carries a trade or business in Ireland and either:
 - (x) the Note is held in a “recognised clearing system” (see above); or
 - (y) the person who is beneficially entitled to the interest is Irish resident and has provided their Irish tax registration number to the Issuer or paying agent in advance of the payment; or

- (z) the person who is the beneficial owner of the Note and who is beneficially entitled to the interest is not Irish resident and has provided the Issuer or paying agent with a completed non resident declaration in the approved format in advance of the payment.

DIRT will not apply to Notes which qualify for the commercial paper exemption.

(a)(III) Quoted Eurobonds

Subject to the encashment tax and DIRT provisions as summarised in paragraphs (b) and (e) below, so long as Notes are, and continue to be, quoted on a recognised stock exchange (the London Stock Exchange and the Irish Stock Exchange are recognised stock exchanges) (“Quoted Eurobonds”), payments of interest may be made without withholding or deduction for or on account of Irish income tax where:

- (i) the payment of interest is not made by or through a person in Ireland; or
- (ii) the payment is made by or through a person in Ireland and:
 - (x) an appropriate form of declaration of non-residence is provided to the paying agent by or on behalf of the person who is the beneficial owner of the Notes and beneficially entitled to the interest (or, where the provisions of Irish tax legislation deem the interest to be that of some other person, that person); or
 - (y) the Notes and related coupons are held in a “recognised clearing system” (see above).

Where the exemptions referred to in paragraphs (a)(I), (a)(II) and/or (a)(III) above do not apply then yearly interest will be paid under deduction of income tax at the standard rate (currently 20%) subject to any other exemptions that may be available and any direction to the contrary from the Irish Revenue Commissioners in respect of such relief as may be available pursuant to the provisions of any applicable double taxation treaty.

(b) Encashment Tax

Subject to the “banker clearing exemption” outlined below, a collecting agent in Ireland obtaining payment of interest whether in Ireland or elsewhere on a Quoted Eurobond in circumstances where no withholding or deduction for or on account of Irish income tax has been made by the person paying the interest, or realising in Ireland any interest on behalf of a holder of a Note or Coupon, must withhold income/encashment tax (at the standard rate—currently 20%) unless the person who is the beneficial owner of the Note and beneficially entitled to the interest is not resident in Ireland and has made a declaration in the prescribed form and has provided that declaration to the collecting agent and the interest is not deemed under the provisions of Irish tax legislation to be that of some other person. The “banker clearing exemption” provides that encashment tax shall not apply to a banker by virtue only of the clearing of a cheque, or the arranging for the clearing of a cheque, by the banker.

Holders should note that appointment of an Irish collecting agent may (as outlined above) bring them within the charge to encashment tax.

(c) Taxation of Interest/Discount or Premium

Interest/discount or premium on the Notes may have an Irish source and consequently may be chargeable to Irish income tax or corporation tax, as the case may be. However, such income should not be taxable in the hands of the recipient in the following circumstances:

- (i) The income will not be chargeable to Irish income or corporation tax in the hands of a company who is resident for tax purposes in an EU Member State other than Ireland or in a territory with which Ireland has a double taxation treaty and who is not resident in Ireland and the interest is paid by the Issuer in the ordinary course of its trade or business; or
- (ii) The income will not be chargeable to Irish income or corporation tax in the hands of a person (including a company) who is resident, for tax purposes, in an EU Member State other than Ireland or in a territory with which Ireland has a double taxation treaty and who is not resident in Ireland if the Notes and any interest payments satisfy the conditions, set out in paragraph (a)(II) or in paragraph (a)(III) above, for exemption from withholding or deduction of tax.

These exemptions will not apply if that person is chargeable to Irish corporation tax on the income of an Irish branch or agency to which the interest is attributable.

In addition, the Irish Revenue Commissioners generally do not seek to assess such interest/discount or premium on Notes to Irish tax in the hands of persons who are neither resident nor ordinarily resident in Ireland, except where such persons:

- (i) are chargeable in the name of a person (including a trustee) or in the name of an agent or a branch in Ireland which has the management or control of the interest/discount or premium; or
- (ii) seek to claim relief and/or repayment of tax deducted at source in respect of taxed income from Irish sources; or
- (iii) are chargeable to Irish corporation tax on the income of an Irish branch or agency or to Irish income tax on the profits of a trade or business carried on in Ireland to which the interest/discount or premium is attributable.

The Issuer is not aware of any change or intended change in this practice of the Irish Revenue Commissioners. However, there can be no assurance that this practice will continue to apply.

(d) Discount or Premium

Notes may be issued at a discount or be redeemable at a premium whether or not periodic interest payments are due on the Notes. No Irish withholding tax will apply to the payment of such discount or premium so long as it does not constitute yearly interest or an annual payment for tax purposes and subject, in the case of Notes not listed on a recognised stock exchange, to paragraph (e) below.

(e) Deposit Interest Retention Tax

Interest/discount or premium paid on Notes which are listed on a stock exchange will not be subject to DIRT. Interest/discount or premium on Notes which are not so listed will be liable to DIRT unless either the beneficial owner is a non resident and the appropriate declaration of non residence in the required format has been completed and provided to the Issuer in advance of each payment or the beneficial owner is an Irish resident company/charity or pension scheme and the appropriate tax reference number has been provided to the Issuer in advance of each payment. Certain other Irish resident bodies may also qualify for exemption from DIRT in certain circumstances. DIRT will not apply to Notes which qualify for the commercial paper exemption as outlined at paragraph (a)(II) above.

By virtue of Revenue practice, interest/discount or premium paid on unlisted Notes can qualify for exemption from DIRT in the circumstances where:

- (i) the Issuer does not sell the Notes to Irish residents and does not offer the Notes for sale in Ireland;
- (ii) Dealers as a matter of contract undertake to the Issuer that their action in any jurisdiction will comply with applicable laws and regulations and that they will not knowingly make primary sales (or knowingly offer to do so, or distribute any material in that connection in Ireland) to any Irish residents or persons;
- (iii) the Notes are cleared through a “recognised clearing system”;
- (iv) the Notes are denominated in amounts of not less than £300,000 sterling or its equivalent; and
- (v) the Exempt Offering Memorandum includes wording to the effect that each Dealer has confirmed that, with respect to the Notes, it will not knowingly offer to sell the Notes to an Irish resident, or to persons whose usual place of abode is Ireland and that it will not knowingly distribute or cause to be distributed in Ireland any offering material in connection with such Notes.

The rate of DIRT is currently 25%. However, DIRT at a rate of 28% can apply where interest is not payable annually or at more frequent intervals.

(f) Capital Gains Tax

A gain realised on disposal/redemption of Notes by a Noteholder who is resident or ordinarily resident in Ireland may be liable to Irish capital gains tax. A Noteholder who is neither resident nor ordinarily resident in Ireland for Irish tax purposes is not subject to Irish capital gains tax unless the Notes are or were held in connection with a trade or business carried on by such holder in Ireland through a branch or agency to which the Notes are or were attributable.

(g) Capital Acquisitions Tax

Where a gift or inheritance is taken under a disposition and the date of the disposition is on or after 1 December 1999, gifts or bequests of Notes may be liable to Irish capital acquisitions tax if the disponent or the beneficiary is resident or ordinarily resident in Ireland for Irish tax purposes or if the Notes which are the subject of the disposition

are located in Ireland. Different rules apply where the gift or inheritance is taken under a disposition where the date of the disposition is before 1 December 1999.

(h) Miscellaneous

The provisions relating to additional payments referred to in “Terms and Conditions of the Notes-Taxation” would not apply if the Irish Revenue Commissioners sought to assess the person entitled to the relevant interest, discount or premium directly to Irish tax. However, exemption from or reduction of such Irish tax liability might be available under an applicable double tax treaty.

(i) Stamp Duty

The issue of Notes will not give rise to a charge to Irish stamp duty. The transfer of interests in the Notes can, in certain circumstances, result in a charge to Irish stamp duty. However, the Irish Revenue Commissioners have confirmed to AIB that, where the Notes are deposited with a depository or safekeeper on behalf of Euroclear or Clearstream, transfers of equitable interests in the Notes through such electronic clearing systems will (as a concession) be treated by being exempt from a charge to Irish stamp duty.

(j) Anti-avoidance

In all cases, holders of Notes may be subject to Irish taxation on their disposal. The nature of the tax charge would depend on the terms of the Notes in question and the particular circumstances of the holder. In particular, holders should have regard, where appropriate, to the provisions relating to the taxation of income deemed to arise on certain sales of securities and other provisions contained in the Taxes Acts of Ireland relating to the purchase and sale of securities.

(k) Reporting

Persons in Ireland paying interest to or receiving interest on behalf of another person may be required to provide certain information to the Irish Revenue regarding the identity of the payee or person entitled to the interest and, in certain circumstances, such information may be exchanged with tax authorities in other countries.

UNITED KINGDOM TAXATION

The comments below are of a general nature based on current United Kingdom law and HM Revenue & Customs practice and are not intended to be exhaustive. They assume that the Issuer is not UK resident and does not act through a permanent establishment in the United Kingdom in relation to the Notes.

- (a) Persons in the United Kingdom (i) paying interest to or receiving interest on behalf of another person who is an individual, or (ii) paying amounts due on the redemption of any Notes which constitute deeply discounted securities as defined in section 430 of the Income Tax (Trading and Other Income) Act 2005 to or receiving such amounts on behalf of another person who is an individual, may be required to provide certain information to HM Revenue & Customs regarding the identity of the payee or person entitled to the interest and, in certain circumstances, such information may be exchanged with tax authorities in other countries. However, in relation to amounts payable on the redemption of such Notes, HM Revenue & Customs published practice indicates that HM Revenue & Customs will not exercise its power to obtain information where such amounts are paid or received on or before 5 April 2010.
- (b) Interest and any discount or premium on, and profits or gains on disposal of, the Notes may (depending on the terms of the Notes in question and the particular circumstances of the Noteholder) be chargeable to United Kingdom tax by direct assessment where the Notes are held by persons resident in the United Kingdom for United Kingdom tax purposes or by persons who carry on a trade, profession or vocation in the United Kingdom through a branch, agency or (in the case of a corporate Noteholder) a permanent establishment to which the Notes are attributable.

EU DIRECTIVE ON THE TAXATION OF SAVINGS INCOME

Under EC Council Directive 2003/48/EC on taxation of savings income, Member States, including Belgium from 1 January 2010, are required to provide to the tax authorities of other Member States details of payments of interest (or other similar income) paid by a person within their respective jurisdictions to an individual or certain other persons resident in another Member State. However, for a transitional period, Belgium, Luxembourg and Austria are required (unless during that period they elect otherwise) to operate instead a withholding system in relation to such payments, subject to a procedure whereby, on meeting certain conditions, the beneficial owner of the interest or other income may request that no tax be

withheld. (The ending of such transitional period is dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries.)

SUBSCRIPTION AND SALE

The Dealers have in an Amended and Restated Dealer Agreement dated 21 January 2010, as further amended and restated and/or supplemented from time to time (the “Dealer Agreement”) agreed with AIB a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement for any particular purchase will extend to those matters stated under “Summary of Terms and Conditions of the Programme and the Notes” and “Terms and Conditions of the Notes” above. In the Dealer Agreement, AIB has agreed to reimburse Deutsche Bank AG, London Branch as arranger for certain of its expenses in connection with the establishment of the Programme and the issue of the Notes.

AIB has agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Notes. The Dealer Agreement may be terminated in relation to all the Dealers or any of them by AIB or, in relation to itself, by any Dealer, at any time on giving not less than 15 days’ written notice.

United States

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a U.S. person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code and regulations thereunder.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that except as permitted by the Dealer Agreement, it has not offered, sold or delivered and will not offer, sell or deliver the Notes of any identifiable Tranche, (i) as part of their distribution at any time or (ii) otherwise until 40 days after completion of the distribution of such Tranche as determined, and certified to the relevant Dealer(s) and AIB, by the Agent, within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each Dealer to which it sells Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after the commencement of the offering, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

Each issuance of Dual Currency Notes or Indexed Notes will be subject to such additional United States selling restrictions as AIB and the relevant Dealer or Dealers may agree, as indicated in the applicable Final Terms. Each Dealer has agreed, and each further Dealer appointed under the Programme, will be required to agree that it will offer, sell or deliver such Notes only in compliance with such additional United States selling restrictions.

United Kingdom

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the “FSMA”) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA would not, if the Issuer was not an authorised person, apply to the Issuer or the Guarantor; and
- (ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Ireland

Each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, that it will not underwrite the issue of, or place the Notes otherwise than in conformity with the provisions of:

- (1) to the extent applicable, the Investment Intermediaries Act, 1995 (as amended) of Ireland, including, without limitation, Sections 9 and 50 and any codes of conduct made under Section 37;
- (2) the European Communities (Markets in Financial Instruments) Regulations 2007 (as amended) of Ireland and it will conduct itself in accordance with any rules or codes of conduct and any conditions or requirements, or any other enactment, imposed or approved by the Financial Regulator; and
- (3) the Irish Market Abuse (Directive 2003/6/EC) Regulations 2005 and any rules issued by the Financial Regulator under Section 34 of the Investment Funds, Companies and Miscellaneous Provisions Act 2005 of Ireland (as amended).

Where the terms of a particular issue so require, each Dealer has confirmed that, with respect to that issue, it will not knowingly offer to sell the relevant Notes to Irish residents or persons, or to persons whose usual place of abode is Ireland and that it will not knowingly distribute or cause to be distributed in Ireland or to Irish residents or persons, any offering material in connection with such Notes.

Republic of Italy

The offering of the Notes has not been registered with the Commissione Nazionale per le Società e la Borsa (“**CONSOB**”, the Italian Securities Regulator) pursuant to the Italian securities legislation and, accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered sold or distributed, and will not offer, sell or distribute, directly or indirectly, any Notes or any copy of this Exempt Offering Memorandum or any other document relating to the Notes in Italy in an offer to the public of financial products under the meaning of Article 1, paragraph 1, lett. t) of Legislative Decree no. 58 of 24 February 1998, as amended (the “Consolidated Financial Act”), unless an exemption applies.

Accordingly, the Notes shall only be offered, sold or delivered in Italy:

- (a) to qualified investors, pursuant to Article 100 of the Consolidated Financial Act, and the implementing CONSOB regulation and Article 2.1 of Directive 2003/71/EC; or
- (b) in any other circumstances where an express exemption from compliance with the offer to the public restrictions applies, as provided under the Consolidated Financial Act or CONSOB Regulation No. 11971 of 14 May 1999, as amended;

provided that, in any case, the offer or sale of the Notes in Italy shall be effected in accordance with all relevant Italian securities, tax and exchange control and other applicable laws and regulations.

Moreover and subject to the foregoing, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that any such offer, sale or delivery of the Notes or distribution of copies of this Exempt Offering Memorandum or any other document relating to the Notes in Italy must be:

- (a) made by investment firms, banks or financial intermediaries permitted to conduct such activities in Italy in accordance with Legislative Decree No. 385 of 1 September 1993, as amended (the “Banking Act”), the Consolidated Financial Act, CONSOB Regulation No. 16190 of 29 October 2007;
- (b) in compliance with Article 129 of the Banking Act and the implementing instructions of Bank of Italy, as amended from time to time, pursuant to which the Bank of Italy may request post-offering information on the issue or the offer of securities in the Republic of Italy; and
- (c) in compliance with any other applicable requirement or limitation which may be imposed from time to time, inter alia, by CONSOB or the Bank of Italy.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (the “**Financial Instruments and Exchange Act**”). Accordingly, each of the Dealers has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of

Japan) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident in Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

General

These selling restrictions may be modified by the agreement of AIB and the relevant Dealer(s) following a change in a relevant law, regulation or directive. Any such modification will be set out in the Final Terms issued in respect of the issue of Notes to which it relates or in a supplement to this Exempt Offering Memorandum.

No action has been taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of this Exempt Offering Memorandum or any other offering material or any Final Terms, in any country or jurisdiction where action for that purpose is required.

Each Dealer has agreed that it will comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes this Exempt Offering Memorandum, any other offering material or any Final Terms.

APPLICABLE FINAL TERMS

Set out below is the form of Final Terms which will be completed for each Tranche of Notes issued the Programme.

Final Terms dated [●]

Allied Irish Banks, p.l.c.

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
under the €15,000,000,000

Euro Medium Term Note Programme Guaranteed by the Minister for Finance of Ireland

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 Exempt Offering Memorandum dated 21 January 2010 [and the supplemental Exempt Offering Memorandum dated [●]]. This document constitutes the Final Terms of the Notes described herein and must be read in conjunction with such Exempt Offering Memorandum [as so supplemented]. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Exempt Offering Memorandum. The Exempt Offering Memorandum [and the supplemental Exempt Offering Memorandum] [is/are] available for inspection at the London office of the Agent and the offices in Dublin and London of the Issuer.

[The following alternative language applies if the first tranche of an issue which is being increased was issued under a Exempt Offering Memorandum (or equivalent) with an earlier date.

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “Conditions”) set forth in the Exempt Offering Memorandum dated [original date] [and the supplemental Exempt Offering Memorandum dated [●]]. This document constitutes the Final Terms of the Notes described herein and must be read in conjunction with the Exempt Offering Memorandum dated [current date] [and the supplemental Exempt Offering Memorandum dated [●]], save in respect of the Conditions which are extracted from the Exempt Offering Memorandum dated [original date] [and the supplemental Exempt Offering Memorandum dated [●]] and are attached hereto. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the [Exempt Offering Memorandum dated [original date] and the Exempt Offering Memorandum dated [current date]¹[Exempt Offering Memoranda dated [original date] and [current date]] [and the supplemental Exempt Offering Memorandum dated [●] and [●]]. The [Exempt Offering Memorandum dated [original date] and the Exempt Offering Memorandum dated [current date]¹[Exempt Offering Memorandum] [and the supplemental Exempt Offering Memorandum] are available for inspection at the London office of the Agent and the offices in Dublin and London of the Issuer.]

The Issue of the Notes is exempt under Regulation 8(1)(d) of the Prospectus (Directive 2003/71/EC) Regulations 2005 (Statutory Instrument Number 324 of 2005), the issue of the Notes does not come within the scope of the Regulations and no prospectus approved by the Financial Regulator will therefore be prepared in connection with the Notes.

[Include whichever of the following apply or specify as “Not Applicable” (N/A). Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or sub-paragraphs. Italics denote guidance for completing the Final Terms.]

1. Issuer: Allied Irish Banks, p.l.c.
2. Guarantee: The Minister for Finance of Ireland.

The Guarantor has unconditionally and irrevocably guaranteed the payment when due of all sums of principal, interest (if any) and

default interest (if any) due and payable by the Issuer under the Notes. The Guarantor's obligations in that respect are set out in the ELG Scheme..

3. Rating
- The Notes are rated [●] by Moody's Investors Service, Inc., [●] by Standard & Poor's Ratings Services and [●] by Fitch Ratings Limited.
- Such ratings may be subject to revisions or withdrawal by these agencies at any time and should be evaluated independently of each other and any other rating that may be assigned.
- A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency. Neither the rating agency nor the Issuer is obligated to provide the holder with any notice of any suspension, change or withdrawal of any rating.
4. [(i)] Series Number: [●]
[(ii)] Tranche Number: [●]
- (If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible).*
5. Specified Currency or Currencies: [£/€/U.S.\$/other]
6. Aggregate Nominal Amount: [●]
[(i)] Series: [●]
[(ii)] Tranche: [●]
7. Issue Price: [●] per cent. of the Aggregate Nominal Amount [plus accrued interest from *[insert date]* (in the case of fungible issues only, if applicable)]
8. (i) Specified Denominations: [●]
(ii) Calculation Amount [●]
9. (i) Issue Date: [●]
(ii) Interest Commencement Date: *[specify/Issue Date/Not Applicable]*
10. Maturity Date: *[specify date or (for Floating Rate Notes or any other rate where the Interest Period end date(s) are adjusted) Interest Payment Date falling in or nearest to the relevant month and year]*
- No Note shall have a scheduled maturity date of more than five years after its Issue Date*
11. Interest Basis: [[●] per cent. Fixed Rate]
[[LIBOR/EURIBOR] +/- [●] per cent. Floating Rate]
[Zero Coupon]

[Index Linked Interest]
[Dual Currency Interest]
[Other (*specify*)]
(further particulars specified below)

12. Redemption/Payment Basis: [Redemption at par]
[Index Linked Redemption]
[Dual Currency]
[Partly Paid]
[Instalment]
[Other (*specify*)]

If the Final Redemption Amount is less than 100 per cent. of the nominal value the Notes will be derivative securities for the purposes of the Exempt Offering Memorandum Directive and the requirements of Annex XII to the Exempt Offering Memorandum Directive Regulation will apply and the Issuer will prepare and publish a supplement to the Exempt Offering Memorandum

13. Change of Interest or Redemption/Payment Basis: [Specify details of any provision for convertibility of Notes into another interest or redemption/ payment basis]

14. Put/Call Options: [Put]
[Call]
[(further particulars specified below)]

15. [(i)] Status of the Notes: Senior

- [(ii)] [Date [Board] approval for issuance of Notes obtained: [●] [and [●], respectively]]
(N.B Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes)]

16. Method of distribution: [Syndicated/Non-syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

17. **Fixed Rate Note Provisions** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)

- (i) Rate[(s)] of Interest: [●] per cent. per annum [payable [annually/semi-annually/quarterly/monthly/other (*specify*)] in arrear]
- (ii) Interest Payment Date(s): [●] in each year [adjusted in accordance with [*specify Business Day Convention and any applicable Business Centre(s) for the definition of "Business Day"*]/not adjusted]
- (iii) Fixed Coupon Amount[(s)]: [●] per Calculation Amount
- (iv) Broken Amount(s): [●] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [●]
- (v) Day Count Fraction (Condition 4 [(j)/(k)]): [30/360 / Actual/Actual ([ICMA] /ISDA) / other]
- (vi) Determination Dates: [●] in each year (*insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon. N.B. only relevant where Day Count Fraction is Actual/Actual ([ICMA])*)

(vii)	Other terms relating to the method of calculating interest for Fixed Rate Notes:	[Not Applicable/ <i>give details</i>]
18.	Floating Rate Note Provisions	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
(i)	Interest Period(s):	[•]
(ii)	Specified Interest Payment Dates:	[•]
(iii)	First Interest Payment Date:	[•]
(iv)	Interest Period Date:	[•]
		(Not applicable unless different from Interest Payment Date)
(v)	Business Day Convention (Condition 4[(j)/(k)]):	[Floating Rate Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention/ other (<i>give details</i>)]
(vi)	Business Centre(s) (Condition 4(k)):	[•]
(vii)	Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination/ISDA Determination/other (<i>give details</i>)]
(viii)	Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Calculation Agent):	[•]
(ix)	Screen Rate Determination (Condition 4(b)(iii)(B)):	
	– Reference Rate:	[•]
	– Interest Determination Date(s):	[•]
	– Relevant Screen Page:	[•]
(x)	ISDA Determination (Condition 4(b)(iii)(A)):	
	– Floating Rate Option:	[•]
	– Designated Maturity:	[•]
	– Reset Date:	[•]
	– ISDA Definitions:	2006
(xi)	Margin(s):	[+/-][•] per cent. per annum
(xii)	Minimum Rate of Interest:	[•] per cent. per annum
(xiii)	Maximum Rate of Interest:	[•] per cent. per annum
(xiv)	Day Count Fraction (Condition 4[(j)/(k)]):	[•]

- (xv) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions: [●]
19. **Zero Coupon Note Provisions** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Amortisation Yield: [●] per cent. per annum
- (ii) Any other formula/basis of determining amount payable: [●]
20. **Index Linked Interest Note/other variable-linked interest Note Provisions** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Index/Formula/other variable: [give or annex details]
- (ii) Calculation Agent: [give name and address]
- (iii) Party responsible for calculating the Rates(s) of Interest and/or Interest Amount(s) (if not the [Calculation Agent]): [●]
- (iv) Provisions for determining Coupon where calculated by reference to Index and/or Formula and/or other variable: [●]
- (v) Interest Determination Date(s): [●]
- (vi) Provisions for determining Coupon where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted: [●]
- (vii) Interest Period(s): [●]
- (viii) Specified Interest Payment Dates: [●]
- (ix) Business Day Convention: [Floating Rate Convention/ Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (give details)]
- (x) Business Centre(s): [●]
- (xi) Minimum Rate of Interest: [[●] per cent. per annum]/[Not Applicable]
- (xii) Maximum Rate of Interest: [[●] per cent. per annum]/[Not Applicable]
- (xiii) Day Count Fraction (Condition [●]

4[(j)/(k)]:

21. **Range Accrual Note Provisions** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Formula for determining the Range Accrual Rate of Interest: [•]
 - (ii) Fixing Event: [•]
 - (iii) Observation Period: [•]
 - (iv) Index Ratio: [•]
 - (v) Strike/Strikes: [•]
 - (vi) Underlying Coupon: [•]
 - (vii) Party responsible for calculating the Range Accrual Rate(s) of Interest and/or Interest Amount(s) (if not the [Calculation Agent]): [•]
 - (viii) Interest Determination Date(s): [•]
 - (ix) Provisions for determining the Range Accrual Rate of Interest where calculation by reference to Formula and/or other variable is impossible or impracticable or otherwise disrupted: [•]
 - (x) Interests Period(s): [•]
 - (xi) Specified Interest Payment Dates: [•]
 - (xii) Business Day Convention: [Floating Rate Conversion/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/Other *(give details)*]
 - (xiii) Business Centre(s): [•]
 - (xiv) Minimum Rate of Interest: [[•] per cent. per annum]/[Not Applicable]
 - (xv) Maximum Rate of Interest: [[•] per cent. per annum]/[Not Applicable]
 - (xvi) Day Count Fraction (Condition 4[(j)/(k)]): [•]
22. **Dual Currency Note Provisions** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Rate of Exchange/method of calculating Rate of Exchange: *[give details]*
 - (ii) Party, if any, responsible for calculating the principal and/or interest due (if not the [Agent]): [•]
 - (iii) Provisions applicable where [•]

calculation by reference to Rate of Exchange impossible or impracticable:

- (iv) Person at whose option Specified Currency(ies) is/are payable: [●]

PROVISIONS RELATING TO REDEMPTION

23. **Call Option** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)

- (i) Optional Redemption Date(s): [●]
- (ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [●] per Note of [●] Specified Denomination
- (iii) If redeemable in part:
 - (a) Minimum Redemption Amount: [●] per Calculation Amount
 - (b) Maximum Redemption Amount: [●] per Calculation Amount
- (iv) Notice period: [●] *If setting notice periods which are different to those provided in the terms and conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and Agent*

24. **Put Option** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)

- (i) Optional Redemption Date(s): [●]
- (ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [●] per Note of [●] Specified Denomination
- (iii) Notice period: [●] *If setting notice periods which are different to those provided in the terms and conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and Agent*

25. **Final Redemption Amount of each Note** [●] per Calculation Amount

In cases where the Final Redemption Amount is Index Linked or other variable-linked:

- (i) Index/Formula/variable: [give or annex details]
- (ii) Party responsible for calculating the Final Redemption Amount (if not the [Agent]): [●]

- (iii) Provisions for determining Final Redemption Amount where calculated by reference to Index and/or Formula and/or other variable: [•]
 - (iv) Determination Date(s): [•]
 - (v) Provisions for determining Final Redemption Amount where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted: [•]
 - (vi) Payment date: [•] per Calculation Amount
 - (vii) Minimum Final Redemption Amount: [•] per Calculation Amount
 - (viii) Maximum Final Redemption Amount: [•]
26. **Range Accrual Final Redemption Amount** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Formula for determining the Range Accrual Final Redemption Amount: [•]
 - (ii) Fixing Event: [•]
 - (iii) Observation Period: [•]
 - (iv) Index Ratio: [•]
 - (v) Strike/Strikes: [•]
 - (vi) Underlying Coupon: [•]
 - (vii) Party responsible for calculating the Range Accrual Final Redemption Amount (if not the [Agent]): [•]
 - (viii) Determination Date(s): [•]
 - (ix) Provisions for determining the Range Accrual Final Redemption Amount where calculation by reference to Formula and/or other variable is impossible or impracticable or otherwise disrupted: [•]
 - (x) Payment date: [•] per Calculation Amount
 - (xi) Minimum Range Accrual Final Redemption Amount: [•] per Calculation Amount
 - (xii) Maximum Range Accrual Final Redemption Amount: [•]
27. **Early Redemption Amount**

Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons (Condition 5(b)) or on event of default (Condition 10) or other early redemption and/or the method of calculating the same (if required or if different from that set out in the Conditions):

[•]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

28. Form of Notes: [Bearer Notes/Exchangeable Bearer Notes]
 [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note]
 [Temporary Global Note exchangeable for Definitive Notes on [] days' notice]
 [Permanent Global Note exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note]
29. New Global Note: [Yes] [No]
30. Financial Centre(s) (Condition 7(g)) or other special provisions relating to payment dates: [Not Applicable/give details. Note that this paragraph relates to the date and place of payment, and not interest period end dates, to which subparagraphs 17 (iv) and 19(ix) relate]
31. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): [Yes/No. If yes, give details]
32. 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 (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment]: [Not Applicable/give details]
33. Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made: [Not Applicable/give details]
34. Redenomination, renominatisation and reconventioning provisions: [Not Applicable/The provisions [in Condition •] apply]
35. Consolidation provisions: [Not Applicable/The provisions [in Condition •] apply]
36. Other final terms: [Not Applicable/give details]

DISTRIBUTION

37. (i) If syndicated, names of Managers: [Not Applicable/give names]
 (Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis.)

- (ii) Stabilising Manager(s) (if any): [Not Applicable/give names]
38. If non-syndicated, name and address of Dealer: [Not Applicable/give name and address]
39. U.S. Selling Restrictions: Reg. S Compliance Category; TEFRA C/TEFRA D/TEFRA not applicable
40. [(i) Each Dealer has confirmed that, it will not knowingly offer to sell the unlisted Notes to Irish residents or persons, or to persons whose usual place of abode is Ireland and that it will not knowingly distribute or cause to be distributed in Ireland or to Irish residents or persons, any offering material in connection with such unlisted Notes: [Applicable/Not Applicable]
- Note this marketing restriction does not apply to listed Notes. It applies to certain series of unlisted Notes where it is intended that the Notes will qualify for exemption from Deposit Interest Retention Tax by virtue of Revenue Practice as outlined in paragraph (g) on page [●] of the Exempt Offering Memorandum]*
- (ii) Additional Selling Restrictions: [Not Applicable/give details]

OTHER INFORMATION

41. Listing: [Irish Stock Exchange/other (specify)/None]
42. Admission to trading: [Application has been made for the Notes to be admitted to trading on [●] with effect from [●].] [Not Applicable.]
- (Where documenting a fungible issue need to indicate that the original notes are already admitted to trading.)*
43. Intended to be held in a manner which would allow Eurosystem eligibility: [Yes] [No]
- [Note that the designation “yes” simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.]
- [include the above text if “yes” is selected in which case the Notes must be issued in NGN form]*
44. ISIN Code: [●]
45. Common Code: [●]
46. 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/give name(s) and number(s)[and address(es)]]
47. Delivery: Delivery [against/free of] payment
48. Names and addresses of initial Paying Agent(s) (if any): [●]
49. Name and address of additional Paying Agent(s) (if any): [●]

Agent(s) (if any):

PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for trading the issue of Notes described herein pursuant to the €15,000,000,000 Euro Medium Term Note Programme of Allied Irish Banks, p.l.c guaranteed by the Minister for Finance of Ireland.

GUARANTEE

AIB is a participating institution under the ELG Scheme. The extent to which its liabilities are covered liabilities is set out in the ELG Scheme and, in relation to the Notes, the Eligible Liability Guarantee Certificate.

RESPONSIBILITY

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

Signed on behalf of the Issuer:

By:

Duly authorised

GENERAL INFORMATION

1. The listing of the Notes on the Irish Stock Exchange will be expressed as a percentage of their nominal amount (exclusive of accrued interest). It is expected that each Tranche of the Notes which is to be admitted to listing will be admitted separately as and when issued. Transactions will normally be effected for delivery on the third working day after the day of the transaction. However, Notes may be issued pursuant to the Programme which will not be listed on any stock exchange. The Listing Agent is not seeking admission to listing of the Notes on the Irish Stock Exchange on its own behalf, but as agent on behalf of the Issuer. The Issuer estimates that it will incur expenses of approximately €500 relating to the admission of the Notes to the Official List of the Irish Stock Exchange and to trading on its Regulated Market.

2. The issue of the Notes and the update of the Programme was authorised by a resolution of AIB passed on 16 December 2009.

3. Each Bearer Note, Receipt, Coupon and Talon will bear the following legend: “Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code”.

4. Save as disclosed herein, there are no, and there have not been any, governmental, legal or arbitration actions, suits or proceedings (including any such proceedings which are pending or threatened of which AIB is aware) involving AIB or any of its subsidiaries during the 12 months preceding the date of this Exempt Offering Memorandum, which may have, or have had in recent past significant effects on the financial position or profitability of AIB and/or the AIB Group taken as a whole.

5. Save as set out or referred to in paragraphs (i) to (vi) below, since 31 December 2008 there has been no material adverse change in the prospects of AIB and since 30 June 2009, there has been no significant change in the financial or trading position of the AIB Group.

- (i) The half-year to June 2009 represented a very challenging period for AIB during which market and economic conditions were unprecedented. The economic environment and conditions across our markets worsened with a consequent deterioration in the lending portfolios particularly in the property portfolios in Ireland and the United Kingdom.
- (ii) In the half-year to June 2009, the Minister for Finance and AIB formed a view that to strengthen AIB’s capital position, a total amount of €5 billion in new core tier 1 capital was appropriate. As a result, AIB received €3.5 billion of core tier 1 capital from the Irish government having received shareholder approval on 13 May 2009. In addition, a capital exchange offering process was completed in June 2009, generating €1.1 billion of core tier 1 capital.
- (iii) The continued volatility and uncertainty in world financial markets and the rapid deterioration in global economic conditions resulted in a very challenging time for the banking industry generally. Many financial institutions incurred substantial losses, received state aid or were nationalised. Against the backdrop of these global economic and market conditions, in its Half-Yearly Financial Report 2009, AIB reported operating profit before provisions of €1.7 billion, a pre-tax loss of €0.9 billion and an adjusted loss per share of EUR 164.4c. Asset quality deteriorated further, most notably in the property portfolios, with the overall bad debt charge increasing to 358 basis points and criticised loans increasing to 25.0% of customer loans of which 8.1% were impaired. Customer loans decreased by 2% and customer deposits reduced by 12% with the loan to deposit ratio increasing from 140% at 31 December 2008 to 156% at 30 June 2009. In response to the slower revenue generation, active management of the cost base yielded a 7% reduction in costs generating a neutral income/cost growth rate gap and a reduction in the underlying cost income ratio of 0.9% to 48.3% with operating profit before provisions reducing by 6%.
- (iv) The operating environment continues to be extremely difficult, with ongoing deterioration in economic conditions evident in the markets in which we operate coupled with higher funding costs. Significant uncertainty remains in markets generally, with the Irish economy still in a very challenging phase.
- (v) The establishment of the National Asset Management Agency (“NAMA”), pursuant to the National Asset Management Agency Act 2009, will seek to address problems relating to the property, building and construction sector. The creation and rollout of NAMA will be a key event for AIB and the industry. AIB supports this Government initiative and are working with the Irish government and NAMA to expedite its implementation; however it is premature at this point to estimate the effect of NAMA on AIB’s capital.
- (vi) AIB’s funding comprises of broadly based resilient customer deposits, capital and debt. The AIB Group’s liquidity levels continue to represent a surplus over the regulatory requirement. The €3.5 billion of core tier 1 capital from the

Irish government and the core tier 1 capital gain of €1.1 billion from the recent capital exchange offering underpins our capital position. At 30 June 2009 the core tier 1 ratio was 8.5% and a total capital ratio was 10.7%.

6. The issue price and the amount of the relevant Notes will be determined before filing of the relevant Final Terms of each Tranche, based on then prevailing market conditions. AIB does not intend to provide any post-issuance information in relation to any issues of Notes.

7. The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records). The Common Code and ISIN (and any other relevant identification number for any alternative clearing system) for each Series of Notes be set out in the relevant Final Terms. The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy, L-1855 Luxembourg. The address of any alternative clearing system will be specified in the applicable Final Terms.

8. Copies of the following documents (in physical form) will be available for inspection during usual business hours on any weekday (Saturday and Public Holidays excepted) from the date hereof for so long as any Notes remain outstanding at the London office of the Agent and the offices in Dublin and London of AIB specified at the end of this Exempt Offering Memorandum:

- (i) the Memorandum and Articles of Association of AIB;
- (ii) the Agency Agreement (which includes the form of the Global Notes, the Definitive Notes, the Coupons, Receipts and Talons for Notes);
- (iii) the Deed of Covenant;
- (iv) the audited annual consolidated financial statements of AIB for the financial years ended 31 December 2007 and 31 December 2008, in each case together with the audit reports thereon;
- (v) the unaudited interim consolidated financial statements of AIB for the six months ended 30 June 2009;
- (vi) the interim management statement of AIB published on 18 November 2009;
- (vii) each Final Terms for Notes which are listed on the Irish Stock Exchange or any other stock exchange;
- (viii) a copy of this Exempt Offering Memorandum together with any supplement to this Exempt Offering Memorandum or further Exempt Offering Memorandum;
- (x) the Credit Institutions (Eligible Liabilities Guarantee) Scheme 2009 (Statutory Instrument No. 490 of 2009); and
- (xi) the Rules of the Credit Institutions (Eligible Liabilities Guarantee) Scheme 2009.

9. KPMG Chartered Accountants (a member of the Institute of Chartered Accountants of Ireland) have audited, without qualifications, the annual consolidated financial statements of AIB for the financial years ended 31 December 2007 and 31 December 2008, in accordance with Auditing Standards issued by the Auditing Practices Board.

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