



Allied Irish Banks, p.l.c.

(incorporated in Ireland with limited liability under the Companies Act 1963 with registered number 24173)

€1,600,000,000

10.00 per cent. Contingent Capital Tier 2 Notes due 2016

This document comprises listing particulars (“**Listing Particulars**”) with respect to the €1,600,000,000 10 per cent. Contingent Capital Tier 2 Notes due 2016 (“**CCNs**”) which were issued by Allied Irish Banks, p.l.c. (the “**Issuer**” or “**AIB**”) on 27 July 2011 (the “**Issue Date**”). Interest accrues on the CCNs from the Issue Date and is payable annually in arrear on 27 July in each year. The CCNs mature on 28 July 2016 (the “**Maturity Date**”) and, unless previously converted, will be redeemed by the Issuer at their principal amount on that date. Payments on the CCNs will be made without deduction for or on account of taxes of Ireland or any authority thereof or therein having power to tax to the extent described under “Terms and Conditions of the CCNs—Taxation”.

The CCNs were issued on the Issue Date pursuant to an agency deed dated 27 July 2011 (the “**Agency Deed**”) between the Issuer and Citibank N.A., London Branch (as “**Fiscal Agent**” and “**Registrar**”).

Unless previously redeemed or converted pursuant to the terms and conditions of the CCNs, if a Capital Deficiency Event or Non-Viability Event (each as defined herein) occurs, and subject to the satisfaction of certain conditions, the CCNs shall be immediately and mandatorily converted into Ordinary Shares (as defined herein) of AIB to be delivered to the Holders (as defined herein), as more particularly described in “Terms and Conditions of the CCNs—Conversion”. The CCNs will be converted into a number of Ordinary Shares determined by dividing the principal amount of each CCN by the Conversion Price (as defined herein) in effect on the Conversion Date (as defined herein). The CCNs are not convertible into Ordinary Shares at the option of the Holders at any time and are not redeemable in cash as a result of a Conversion Event (as defined herein).

If a Tax Event (as defined herein) has occurred and is continuing, the Issuer may, subject to certain conditions, at its option and without any requirement for the consent or approval of the Holders, vary the terms of the CCNs so that the CCNs remain or, as appropriate, become, Qualifying CCNs (as defined herein), as further described in “Terms and Conditions of the CCNs — Variation following Tax Event”.

The CCNs constitute direct, unsecured and subordinated obligations of the Issuer and rank *pari passu* and without any preference among themselves. See “Terms and Conditions of the CCNs — Status”.

The CCNs are issued in definitive registered form in denominations of €100,000 and integral multiples of €1,000 in excess thereof. Title to the CCNs will pass by registration in the register kept by the Registrar in accordance with the provisions of the Agency Deed (the “**Register**”).

These Listing Particulars have been approved by the Irish Stock Exchange (the “**ISE**”). Application has been made to the ISE for the CCNs to be admitted to the ISE’s official list (the “**Official List**”) and to trading on the Global Exchange Market. This document constitutes listing particulars (the “**Listing Particulars**”) for the purposes of such application. These Listing Particulars do not constitute a prospectus for the purposes of Directive 2003/71/EC (the “**Prospectus Directive**”). The Global Exchange Market is an exchange-regulated market.

Prospective investors should have regard to the factors described under the section headed “Risk Factors” in these Listing Particulars.

Listing Particulars dated 27 October 2011

These Listing Particulars are for the purpose of giving information with regard to the Issuer, the Issuer and its subsidiaries taken as a whole (the “**Group**”) and the CCNs, which according to the particular nature of the Issuer and the CCNs, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer. The Issuer accepts responsibility for the information contained in these Listing Particulars. To the best of the knowledge and belief of the Issuer (which has taken all reasonable care to ensure that such is the case), the information contained in these Listing Particulars is in accordance with the facts and does not omit anything likely to affect the import of such information.

None of the Minister for Finance of Ireland (the “**Minister**”), the Department of Finance, the Government, the National Pensions Reserve Fund Commission (the “**NPRFC**”), the National Treasury Management Agency (the “**NTMA**”) or any person controlled by or controlling any such person, or any entity or agency of or related to the Irish State, or any director, officer, official, employee or adviser (including without limitation legal and financial advisors) of any such person (each such person, a “**Relevant Person**”) accepts any responsibility for the contents of, or makes any representation or warranty as to the accuracy, completeness or fairness of any information in, these Listing Particulars or any document referred to in these Listing Particulars or any supplement or amendment thereto (each a “**Transaction Document**”). Each Relevant Person expressly disclaims any liability whatsoever for any loss howsoever arising from, or in reliance upon, the whole or any part of the contents of any Transaction Document. No Relevant Person has authorised or will authorise the contents of any Transaction Document, or has recommended or endorsed the merits of the offering of securities or any other course of action contemplated by any Transaction Document.

These Listing Particulars are to be read in conjunction with all the documents which are incorporated herein by reference (see “Documents Incorporated by Reference”).

Any investment in the CCNs does not have the status of a bank deposit and is not within the scope of the deposit protection scheme operated by the Central Bank of Ireland (the “**Central Bank**”) and the Issuer does not represent that the holder of any CCNs would be entitled to receive any payment in respect of such CCNs in the event of the insolvency of the Issuer under any depositors’ protection scheme existing from time to time in Ireland.

These Listing Particulars do not constitute an offer of, or an invitation by or on behalf of the Issuer to subscribe for or purchase, any of the CCNs. The distribution of these Listing Particulars and the offering of the CCNs in certain jurisdictions may be restricted by law. Persons into whose possession these Listing Particulars come are required by the Issuer to inform themselves about and to observe any such restrictions.

No person is authorised to give any information or to make any representation not contained in these Listing Particulars and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of the Issuer. Neither the delivery of these Listing Particulars nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof or the date upon which these Listing Particulars have been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuer since the date hereof or the date upon which these Listing Particulars have been most recently amended or supplemented or that the information contained in it or any other information supplied in connection with the CCNs is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The CCNs have not been and will not be registered under the U.S. Securities Act of 1933 and are subject to U.S. tax law requirements. Subject to certain exceptions, the CCNs may not be offered, sold or delivered within the United States or to U.S. persons (as defined under Regulation S of the U.S. Securities Act of 1933).

These Listing Particulars do not constitute an invitation or offer to underwrite, subscribe for or otherwise acquire or dispose of any securities nor are they intended to be an inducement to engage in investment activity for the purpose of Section 21 of the Financial Services and Markets Act 2000 of the United Kingdom.

Unless otherwise specified or the context requires, references to “Euro”, “EUR” and “€” are to the currency of the Member States of the European Union that adopt or have adopted the single currency in accordance with the Treaty establishing the European Community as amended by the Treaty on European Union.

These Listing Particulars have been prepared by the Issuer solely for use in connection with the listing and admission to trading of the CCNs described herein. These Listing Particulars comprise listing particulars with regard to the listing and admission to trading of the CCNs on the Global Exchange Market.

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DOCUMENTS INCORPORATED BY REFERENCE

These Listing Particulars should be read and construed in conjunction with the following documents, which have been previously filed with the ISE:

- (i) the audited consolidated financial statements of the Group for the financial year ended 31 December 2010 (as included in the Annual Financial Report 2010) and for the financial year ended 31 December 2009 (as included in the Annual Financial Report 2009), together in each case with the audit report thereon;
- (ii) the unaudited consolidated financial statements of the Group for the six months ended 30 June 2011 (as included in the Half-Yearly Financial Report 2011); and
- (iii) the section entitled “Financial Review – Business Description” on pages 13-20 of the Annual Financial Report 2010.

Such documents shall be incorporated in, and form part of, these Listing Particulars, save that any statement contained in a document which is incorporated by reference herein shall be modified or superseded for the purpose of these Listing Particulars to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of these Listing Particulars.

Copies of documents incorporated by reference in these Listing Particulars may be obtained (without charge) from the registered office of the Issuer.

OVERVIEW OF THE CCNS

This overview must be read as an introduction to these Listing Particulars. The reader should consider these Listing Particulars as a whole, including the documents incorporated herein by reference.

Words and expressions defined in “Terms and Conditions of the CCNs” shall have the same meanings when used in this summary.

The CCNs are not guaranteed obligations of the Minister under the ELG Scheme.

Issuer	Allied Irish Banks, p.l.c.
Risk Factors	There are certain factors that may materially affect the Issuer’s ability to fulfil its obligations under the CCNs. Certain of these factors are set out under “Risk Factors” below and include liquidity risks, market risks, credit risks, cross-border and foreign exchange risks, operational risks, legal and regulatory risks and competition risks, among others. In addition, there are certain factors, which are material for the purpose of assessing the risks associated with the CCNs. These include the fact that the CCNs may not be a suitable investment for all investors, certain risks relating to the structure of the CCNs including that they are mandatorily convertible into Ordinary Shares on the occurrence of a Capital Deficiency Event or Non-Viability Event and certain other market risks which are material in making investment decisions.
Fiscal Agent and Registrar	Citibank, N.A., London Branch.
Irish Listing Agent.....	McCann FitzGerald Listing Services Limited.
Currency.....	Euro.
Maturity	Unless previously redeemed or converted, the CCNs mature on 28 July 2016 and will be redeemed at their principal amount on that date.
Issue Price	100.00 per cent.
Form of CCNs.....	Registered. The CCNs are represented by a definitive registered certificate or, as the case may be, definitive registered certificates (each, a “ Certificate ”). Title to the CCNs shall pass by registration in the Register.
Denominations	€100,000 and integral multiples of €1,000 in excess thereof.
Interest.....	The CCNs bear interest at an initial rate of 10.00 per cent. per annum from (and including) the Issue Date to (but excluding) the Maturity Date.
Interest Payment Dates	Interest is payable annually in arrear on 27 July in each year, commencing on 27 July 2012.
Conversion	If a Capital Deficiency Event or Non-Viability Event occurs, and subject to the satisfaction of certain conditions, the CCNs shall be

immediately and mandatorily converted into Ordinary Shares to be delivered to the Holders, as more particularly described in “Terms and Conditions of the CCNs—Conversion”.

Receipt by the Holders of the Ordinary Shares and Accrued Conversion Interest (if any) shall be a good and complete discharge of the Issuer’s obligations in respect of the CCNs.

The CCNs are not convertible into Ordinary Shares at the option of the Holders at any time and are not redeemable in cash as a result of a Conversion Event.

Capital Deficiency Event.....

Capital Deficiency Event means the occurrence of:

- (a) the Issuer giving notice to the Holders that the relevant Capital Ratio is below the Trigger Ratio; or
- (b) the Competent Authority notifying the Issuer that it has determined, in its absolute discretion, that the Group’s financial and solvency condition is deteriorating in such a way that the relevant Capital Ratio is likely to be below the Trigger Ratio in the short term.

Subject to Condition 4(a)(vi) of the CCNs, no Conversion shall occur following a Capital Deficiency Event if, notwithstanding the Capital Ratio being below the Trigger Ratio, the Competent Authority, at the request of the Issuer, has agreed, in its absolute discretion, that a Conversion shall not occur because it is satisfied that actions, circumstances or events have had, or imminently will have during the next 90 days following such Capital Deficiency Event, the effect of restoring the Capital Ratio to a level above the Trigger Ratio that the Competent Authority deems to be adequate at such time.

Non-Viability Event.....

Non-Viability Event means the earliest of:

- (a) the Competent Authority, in its absolute discretion, determining that Conversion of the CCNs, together with the conversion or write off of Holders’ claims in respect of any Tier 1 Instruments or Tier 2 Instruments that, pursuant to their terms or by operation of law, are capable of being converted into equity or written off at that time, is, because customary measures to improve the Group’s capital adequacy are at the time inadequate or unfeasible, an essential requirement to prevent the Issuer from becoming insolvent, bankrupt or unable to pay its debts as they fall due, or from ceasing to carry on its business, or from failing to meet its minimum capital adequacy requirements, as determined by the Competent Authority; or
- (b) by virtue of customary measures to improve the Group’s capital adequacy being at the time inadequate or unfeasible, the Issuer receiving an irrevocable commitment of extraordinary support from any State Entity (beyond customary transactions and arrangements in the ordinary

course) that has, or imminently will have, the effect of improving the Group’s capital adequacy and without which, in the determination of the Competent Authority, the Issuer would become insolvent, bankrupt, unable to pay its debts as they fall due, or cease carrying on its business or fail to meet its minimum capital adequacy requirements, as determined by the Competent Authority.

Conversion Price.....	Upon any Conversion, the CCNs will be converted into a number of Ordinary Shares determined by dividing the principal amount of each CCN by the Conversion Price in effect on the Conversion Date. The Conversion Price is €0.01, subject to adjustment in accordance with Condition 4(e).
Variation.....	If a Tax Event has occurred and is continuing, the Issuer may, subject to certain conditions as described herein under “Terms and Conditions of the CCNs —Variation following Tax Event”, at its option and without any requirement for the consent or approval of the Holders, vary the terms of the CCNs so that the CCNs remain or, as appropriate, become, Qualifying CCNs as more particularly described in “Terms and Conditions of the CCNs — Variation following Tax Event”.
Takeover Event	If a Capital Deficiency Event or, as the case may be, a Non-Viability Event occurs at any time on or after: (a) the occurrence of a Qualifying Takeover Event and a Takeover Event Date, the CCNs shall be convertible into Approved Entity Shares of the Approved Entity at the New Conversion Price. See “Terms and Conditions of the CCNs—Conversion—Conversion on a Takeover Event”; or (b) the occurrence of a Non-Qualifying Takeover Event, the CCNs shall be convertible into unlisted Ordinary Shares. See “Terms and Conditions of the CCNs—Conversion—Conversion on a Takeover Event”.
Taxation.....	The Issuer will pay such Additional Amounts as may be necessary in order that all payments received by each Holder in respect of the CCNs, after withholding for any taxes imposed on the Issuer by tax authorities in Ireland (or in any authority thereof or therein having power to tax) upon payments made by or on behalf of the Issuer under the CCNs, will equal the amount which would have been received in the absence of any such withholding taxes, save in certain limited circumstances as more particularly set out in “Terms and Conditions of the CCNs— Taxation”.
Events of Default	For so long as the CCNs have not converted, it will be an Event of Default if (a) payment is not made for a period of seven days in the case of principal or 14 days in the case of interest due in respect of the CCNs; or (b) proceedings have been instituted for the liquidation or winding-up of the Issuer. Holders have limited

enforcement remedies, as more particularly described in “Terms and Conditions of the CCNs—Events of Default”.

Status of the CCNs.....

The CCNs constitute direct, unsecured and subordinated obligations of the Issuer and will rank *pari passu* and without any preference among themselves. The rights and claims of the Holders are subordinated as described herein under “Terms and Conditions of the CCNs—Status and Subordination of the CCNs— Subordination”. See, however, “Conversion” above.

Listing and Admission to trading.

Application has been made to the ISE for the CCNs to be admitted to the Official List and to trading on the Global Exchange Market.

Governing Law

Irish law.

ISIN.....

IE00B51GP956.

Ratings.....

None.

RISK FACTORS

The Issuer believes that the following factors may affect its ability to fulfil its obligations under the CCNs. 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 any such contingency occurring.

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

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

Factors that may affect the Issuer's ability to fulfil its obligations under or in connection with the CCNs.

Further downgrades to Ireland's sovereign credit ratings or the Group's credit ratings or outlook could limit the Group's access to funding, trigger additional collateral requirements and weaken its competitive position

The sovereign credit rating of Ireland has a significant effect on the outlook for the Irish banking sector as a whole. Over the course of 2010 and continuing into 2011, Standard and Poor's, Moody's, DBRS and Fitch ratings agencies have all downgraded their sovereign rating of Ireland. Further downgrades would be likely to have an adverse effect on Irish economic conditions, which would have an adverse effect on the Group.

As the Government is guarantor of certain liabilities of the Group under the ELG Scheme, recent downgrades in Ireland's sovereign rating have had an adverse impact on the Group's credit rating and on the cost of funding for certain securities guaranteed under the scheme. The Group's credit rating, while benefiting from support due to the perceived likelihood that the State will continue to provide extraordinary support to the Irish domestic banking industry, has been adversely impacted by recent downgrades in Ireland's sovereign rating. Any future downgrades in Ireland's sovereign rating may similarly adversely affect the Group's credit ratings and could result in a further increase in the cost of funding for certain securities of the Group guaranteed under the ELG Scheme and the withdrawal of deposits from the Group.

The Group has received Government guaranteed bonds and non-guaranteed subordinated bonds issued by NAMA as consideration for the transfer of assets to NAMA. The Group also has holdings in Government bonds separate from those issued under NAMA. A downgrade or series of downgrades in the credit rating of the Government debt or the Government guaranteed bonds could adversely impact the extent to which the Group can use those bonds as collateral in order to access the liquidity provision operations offered by the European Central Bank ("ECB"), the Central Bank, the Bank of England or secured borrowing from wholesale markets; for example, if these bonds ceased to meet the eligibility criteria set by monetary authorities, the Group may not be in a position to continue to operate without additional funding support, which it may be unable to access.

Any further downgrades in the credit ratings of the Group could have a materially negative impact on the Group's cost of funding and/or the availability of funding to the Group and upon its financial position, further limit the Group's access to capital and funding markets, trigger material collateral requirements under derivative contracts or other secured-funding arrangements and weaken the Group's competitive position in certain markets.

The Group's businesses, earnings and financial condition have been and will continue to be affected by the recent and future economic conditions in Ireland and internationally, together with the EU/IMF Programme. In addition, a failure to successfully implement the provisions of the EU/IMF Programme and achieve the fiscal targets within the timeframe envisaged could lead to a termination of the financial support provided under the EU/IMF Programme, which could have a material adverse effect on the Group.

The deterioration of the Irish economy, as well as the deterioration of the economies of the United Kingdom and certain other markets served by the Group, significantly and adversely affected the Group's financial condition and performance in recent years, presented significant risks and challenges for the Group in 2011, and will continue to do so in the future. Although economic activity had regained some momentum in Ireland and internationally, following a very deep recession, the IMF, in its World Economic Outlook (September 2011) noted that global activity has weakened again and warned that the world economy has entered a dangerous new phase.

A renewed downturn in the economic performance of the Irish economy or other economies served by the Group could further adversely affect the Group's financial condition and results of operations. This could include further reductions in business activity, lower demand for the Group's products and services, reduced availability of credit, increased funding costs, decreased asset values, and additional write-downs and impairment charges. The Group's financial performance may also be affected by future recovery rates on assets and the historical assumptions underlying asset recovery rates may no longer be accurate given the general economic instability.

Concerns relating to the Irish public finances have affected the liquidity and profitability of the financial system in Ireland and have resulted in:

- An inability by the Irish sovereign to access funding in the international markets at economic rates, resulting in the EU/IMF Programme for Ireland;
- Limited liquidity availability for the Irish banking system and a consequential increase in the reliance by Irish financial institutions on the liquidity provision operations offered by monetary authorities; and
- Increased competition between banks to attract customer deposits, resulting in an increased cost of customer deposits.

These conditions have already materially adversely affected the Group, have exerted downward pressure on share prices, liquidity and availability of credit for financial institutions and other corporations and have left the Irish banking system facing serious structural and funding issues. If economic conditions worsen again, or if the Irish economy recovers at a slower rate than anticipated, the Group may experience further reductions in business activity, increased funding costs, decreased asset values, additional write-downs and impairment charges with resulting adverse effects on profitability and financial condition.

In late November 2010, the then Government agreed to the EU/IMF Programme, jointly supported by (i) Member States of the European Union, (ii) bilateral loans from the UK, Sweden and Denmark and (iii) the IMF. As part of the EU/IMF Programme the Government committed to a four year (2011-2014) €15 billion fiscal adjustment (including €6 billion in 2011) which comprises public expenditure reductions and tax increases to cut the budget deficit to below 3 per cent. by 2014. The new Government, which took office on 9 March 2011, has (with the agreement of the EU/IMF) extended the deadline to reach the 3 per cent. budget deficit target to 2015.

The planned fiscal adjustment that is being implemented pursuant to the EU/IMF Programme is having a dampening effect on household incomes and consumer spending in Ireland. Nonetheless, helped by strong export growth, Irish GDP expanded strongly in the first half of 2011 and the Central Bank has revised its

forecast of GDP growth of 0.8 per cent. to 1 per cent. in 2011. However, the marked slow-down in the economies of the State's trading partners, and more generally in the global economy over the course of 2011 has resulted in the Central Bank scaling back its forecast for 2012 of an increase in GDP from the previously stated figure of 2.1 per cent. to 1.8 per cent. (Source: Central Bank of Ireland, Q3 Quarterly Bulletin, July 2011 and Q4 Quarterly Bulletin, October 2011).

A weaker than expected growth performance next year would impact on the behaviour of the Group's customers and, by extension, the demand for, and supply of, the Group's products and services, which will affect the Group's financial condition and results.

The EU/IMF Programme also contains structural measures and policy guidelines designed to boost Ireland's competitiveness and improve its growth rate in the medium term to enable the servicing and repayment of the Government debt. Specifically, the EU/IMF Programme includes:

- Fiscal consolidation and structural fiscal reforms to achieve a sustainable fiscal position;
- Financial sector reforms including recapitalisation, reorganisation and deleveraging to achieve a robust, smaller and better capitalised banking system that will effectively serve the needs of the economy; and
- Structural reforms to underpin economic stability and enhance growth and job creation.

The implementation of fiscal measures to decrease public spending and increase revenues in order to meet the Government's obligations under the EU/IMF Programme, or any revision of the EU/IMF Programme, are expected to have a continued dampening effect on household income, with consequent adverse effects on the Group's financial condition and results.

Any worsening of macro-economic conditions in Ireland may result in a failure to successfully implement the provisions of the EU/IMF Programme which could lead to a termination of the financial support provided under the EU/IMF Programme, which would have adverse consequences for the Group's financial condition and prospects.

In addition, the recent volatile market conditions arising from the Eurozone debt crisis have resulted in significant falls in perceived or actual asset values. If such conditions continue and result in further downturns in asset values, and hence result in the Group's assets declining in value, the results of operations of the Group could be subject to significant volatility. A continuation of the debt crisis in the Eurozone could have further significant adverse effects in terms of both the Group's ability to access market funding and its funding costs.

The Group operates in competitive markets (subject to some price regulation) that are subject to significant change and uncertainty, which could have a material adverse effect on its results, financial condition and prospects.

The Group is subject to significant competition in the markets in which it operates and some of its competitors are larger, have better credit ratings and have greater financial resources than the Group. The markets for financial services within which the Group operates are highly competitive. It is anticipated that such competition may intensify in response to regulatory actions, competitor behaviour, consumer demand, technological changes, the impact of consolidation, new market entrants (whether by acquisition of an existing institution or otherwise) and other factors. In the event that financial markets remain unstable, competitor and market consolidation may accelerate.

In particular, competitive pricing pressures may limit the Group's ability to normalise its deposit rates and increase rates on customer loans, which would prevent the Group restoring its net interest margin to target

levels which is a key driver of future profitability. In addition, the Group could encounter difficulties in increasing interest rates to borrowers, due to the reputational impact such increases could have on the Group in the Irish market and the political and/or legislative consequences that such an impact could have for the Group. Any of these events could have an adverse impact on net interest margins and consequently on the results and financial condition of the Group.

Intervention by monetary authorities in the banking sector may impact the competitive position of the Group relative to its international competitors who may be subject to intervention of a different quantum and nature, potentially putting the Group at a competitive disadvantage in certain markets. Competition may increase in some or all of the Group's principal markets and may have an adverse effect on its results, financial condition and prospects.

Constraints on liquidity and market reaction to factors affecting Ireland and Europe generally have created a very challenging liquidity environment for the Group

The Group is currently operating in a very challenging liquidity environment. Wholesale market conditions have restricted the Group's access to funding and short duration, mainly secured funding.

The ongoing availability of customer deposits to fund the Group's loan portfolio is subject to potential changes in certain factors outside the Group's control, such as a loss of confidence of depositors in either the Irish economy in general, the financial services industry or the Group specifically, ratings downgrades, significant further deterioration in economic conditions and the availability and extent of deposit guarantees (including as a result of regulatory changes to deposit guarantee schemes and/or changes to the ELG Scheme). These were all factors in the loss of deposits experienced by the Group, in particular during 2010 and the early part of 2011. Any further loss in confidence in the Group's banking businesses, or in banking businesses generally, could further increase the amount of deposit withdrawals in a short space of time. To meet its funding requirements, the Group has accessed a range of central bank liquidity facilities, including at times certain additional liquidity schemes introduced by central banks for market participants during periods of dislocation in the funding markets. In accessing central bank and other secured lending facilities, the Group has relied significantly on its Qualifying Liquid Assets and Contingent Funding capacity. The curtailment or non-extension of the central bank liquidity facilities currently relied upon by the Group, or the Group's inability to access such facilities would require the Group to seek alternative sources of funding, including further support from the Government.

Uncertainty over the terms of a further extension of the ELG Scheme may expose the Group to further liquidity risks

The Government's guarantee of specified liabilities through the ELG Scheme represents a critical element of liquidity support for the Group and, more generally, the Irish banking sector. The ELG Scheme is designed to facilitate the ability of participating credit institutions in Ireland to issue debt securities and take deposits with a maturity of up to five years on debt securities issued or deposits taken before 31 December 2011. This follows approval by the European Commission of an extension to the original issue date from 29 September 2010 to 31 December 2011. The ELG Scheme is subject to continuing European Commission State aid approval at six-monthly intervals. There can be no assurance that the ELG Scheme will be extended beyond 31 December 2011. If the ELG Scheme is withdrawn, it is likely to put increased pressure on the Group's ability to fund itself in the short-term and increase its reliance on central bank facilities. Additionally, given the Group's reliance on the ELG Scheme and short-term wholesale bank debt, if the ELG Scheme is amended in a manner which diminishes its effectiveness, the Group may face significant liquidity risks. More generally, the cancellation or material amendment of the ELG Scheme could introduce systemic weakness to the Irish banking sector and restrict liquidity support across the sector as a whole, which would in turn have a material adverse effect on the Group.

Systemic risks could disrupt the markets in which the Group operates and impact the Group's financial condition and results of operations

Systemic risk continues to exist in the markets in which the Group operates, and dislocations caused by the interdependency of financial market participants and the perception of the Irish banking sector in general continue to be a source of material risk to the Group's financial condition and results of operations. Concerns over the willingness and ability of the Irish State to meet its obligations in full as they fall due, any similar concerns relating to other EU member states or speculation over the future of the euro could have a material impact on the market's perception of the Group and hence its financial condition.

The Group is subject to extensive regulation and supervision in relation to the levels of capital and liquidity in its business. The minimum regulatory capital requirements, as well as the manner in which existing regulatory capital is calculated, will change in the future, which could have a material adverse effect on the Group's results, financial condition and prospects.

As a result of the Financial Measures Programme and proposed European regulatory changes, the minimum and target regulatory requirements imposed on the Group, the manner in which its existing regulatory capital is calculated, the instruments that qualify as regulatory capital and the capital tier to which those instruments are allocated, have been and will be subject to change:

- The Group's future target capital requirements have increased, as announced by the Central Bank on 31 March 2011 pursuant to its Financial Measures Programme. Under that programme, the Group will be required to maintain a Core Tier 1 Capital Ratio of 10.5 per cent. in the base-case scenario and 6 per cent. in the stress-case scenario.
- The Central Bank's announcement on 31 March 2011 also required the Group (including EBS) to raise €14.8 billion of new Core Tier 1 Capital of which €1.6 billion may be in the form of contingent capital in order to maintain a buffer of €3.1 billion above the stress-case target Core Tier 1 Capital Ratio of 6 per cent. This requirement was satisfied in full by the target date of 31 July 2011.
- On 26 October 2011, against the backdrop of the increasing concerns regarding sovereign debt, the European Banking Authority ("EBA") announced that it had reviewed the actual capital positions and sovereign debt exposures of banks, including AIB, that participated in the EBA EU-wide capital stress test announced on 15 July 2011 (as further described on page 64 of these Listing Particulars). The EBA announced a number of measures to restore confidence in the European banking sector which focused on capital and term funding needs. These measures expect banks by June 2012 to (i) have strengthened their capital positions by building up a temporary capital buffer against sovereign debt exposures to reflect current market prices based on banks' figures as at 30 September 2011 and (ii) establish a buffer such that their Core Tier 1 capital ratio reaches 9%.
- Basel III/CRD IV proposals may result in significant changes to the type and amount of capital which is eligible for regulatory purposes for financial institutions. The proposed changes to items to be deducted from Common Equity Tier 1 Capital that may have a significant impact on AIB are those relating to deferred tax assets and pension deficits. These requirements are due to be phased in from 2014-2018. AIB is currently examining ways to manage these impacts.
- The introduction of Basel III/CRD IV will also result in the introduction of new liquidity metrics. The first such measure is the Liquidity Coverage Ratio, under which the Group will be required to hold a stock of high quality liquid assets against its total net cash outflows over the following 30 days. The new requirement will be introduced after an observation and review period in 2015. The second measure is the Net Stable Funding Ratio, which will require that the amount of long term stable funding held by the Group be measured relative to (i) the liquidity profiles of the assets funded, and

(ii) the potential for contingent calls on funding liquidity arising from off-balance sheet commitments and obligations. This measure will be introduced after an observation and review period in 2018.

- Basel III will prohibit the payment of dividends by the Group if its capital levels do not exceed certain thresholds above the minimum capital requirements. Under PLAR 2011, the Group will be positioned to converge to Basel III/CRD IV liquidity standards over time.

When the changes to the Group's minimum capital standards are finalised, in particular those changes proposed under Basel III/CRD IV relating to the type of instruments and deductions that are included within its Common Equity Tier 1 Capital, they may have a significant impact on the Group's capital and on its asset and liability management strategies. This could have a materially adverse effect on the Group's results, financial condition and prospects. In addition, it is possible that under future stress test assessments, the Group may fail to meet the increased capital ratios and may require further capital injections.

The Group is subject to inherent risks concerning customer and counterparty credit quality and the actual or perceived failure or worsening creditworthiness of customers, other financial institutions and counterparties, which could adversely affect the Group's results of operations, financial condition and future prospects

Risks arising from changes in credit quality and the recoverability of loans and amounts due from counterparties are inherent in a wide range of the Group's businesses. The Group's most significant credit risks arise from lending activities to customers and financial institutions, its trading portfolio, available for sale financial investments, derivatives and off-balance sheet guarantees and commitments.

The Group has experienced significant credit losses and write-downs over the last three years and the six months ended 30 June 2011, driven by weak domestic economic conditions, a concentration in property-related lending and the erosion of security values. At 30 June 2011, the Group's (which excludes EBS) loans and receivables to customers in the construction and property sector, in the Republic of Ireland excluding loans held for sale, amounted to €15.9 billion (based on the location of the office recording the loan). At 30 June 2011, the Group's (which excludes EBS) home mortgage loans to customers, recorded in the Republic of Ireland, amounted to €26.8 billion. The Irish property sector has been adversely affected by unfavourable economic and market conditions. If these persist, further falls occur in property prices or unemployment increases, the risk of further impairment to the Group's residential mortgage and commercial property loan portfolio, and the consequential adverse impact on the Group's financial condition, will be exacerbated. Ultimately, should weak domestic trends persist in Ireland, they may lead to higher impairment charges, higher costs, additional write-downs and lower profitability for the Group. The Group's exposure to credit risk is exacerbated when the collateral it holds cannot be realised or is liquidated at prices that are not sufficient to recover the full amount of the loan or derivative exposure that is due to the Group. That is most likely to occur during periods of illiquidity and depressed asset valuations, such as those currently being experienced. Any such losses could have a material adverse effect on the Group's future performance and results of operations. In addition, exposure to particularly vulnerable sectors of the Irish and/or UK economies, in particular the property and construction sectors, could result in reduced valuations of the assets over which the Group has taken security and reduced recoverability. Furthermore, an increase in interest rates in the Group's main markets may lead to, amongst other things, further declines in collateral values, higher repayment costs and reduced recoverability, which together with the aforementioned risks may adversely impact the Group's earnings or require an increase in the expected cumulative impairment charge for the Group.

The Group has been exposed to increased counterparty risk as a result of failures of financial institutions during the global economic crisis. Defaults by, or even reductions in the perceived creditworthiness of, one or more corporate borrowers, or financial institutions, or the financial services industry generally have led to

market-wide liquidity problems, losses and defaults. Such defaults could lead to further losses or defaults by such borrowers and/or institutions, which would adversely affect the Group's results of operations, financial condition and future prospects.

Within its available for sale portfolio, the Group is also exposed to credit risks relating to sovereign issuers. Concerns in respect of the Irish State and other sovereign issuers, including certain European Union Member States, have impacted and could continue to impact upon the financial performance of the Group.

The Group is subject to certain commitments and restrictions in relation to the operation of its business under the NPRFC Investments, the NAMA Programme and the ELG Scheme, which may serve to limit the Group's operations. In addition, the Credit Institutions (Stabilisation) Act 2010 entitles the Minister to give directions to the Group in relation to its future conduct, which may serve to limit or expand the Group's operations and could adversely affect its results of operations

Under the terms of the ELG Scheme and the NPRFC Investments, the Group is subject to certain commitments and restrictions which have had and will continue to have a significant impact on the manner in which the Group conducts its business. Compliance with such restrictions may serve to limit the Group's operations and place significant demands on the reporting systems and resources of the Group.

In addition, the Credit Institutions (Stabilisation) Act 2010 (the "**Stabilisation Act**") empowers the Minister, following consultation with the Governor of the Central Bank, to make orders that the Minister believes are, amongst other matters, necessary to stabilise a particular relevant institution (including its group companies). Such a direction could have a material impact on the Group's operational performance.

In addition, as AIB's significant majority shareholder, the Government is in a position to exert significant influence over the Group and its activities. While showing continued strong support and confirming the Group's central position in the Irish banking landscape, Government policy in respect both of the Group and the Irish banking system as a whole will continue to have a significant impact on the Group.

The Stabilisation Act will cease to have effect on 31 December 2012, or a later date substituted by resolution of both houses of the Oireachtas (parliament of Ireland). It is anticipated that the Central Bank and Credit Institutions (Resolution) (No. 2) Bill 2011 (the "**Resolution Bill**"), will have been enacted and commenced by that time. The Resolution Bill is intended to replace the Stabilisation Act and provide for a mechanism for intervention by the Irish State in the banking sector through a long term special resolution regime. The potential impact of the introduction of the Resolution Bill is discussed in more detail in the risk factor entitled "*The Irish banking system is required to restructure and change significantly which could have a material adverse effect on the Group's results, financial condition and prospects*".

The Irish banking system is required to restructure and change significantly which could have a material adverse effect on the Group's results, financial condition and prospects

The banking system in Ireland has been severely impacted by a range of Irish specific and international factors. Arising from these events, there have been a number of Government and market responses impacting or potentially impacting on the structure of the Irish banking sector and the Group including:

- The Government has taken significant steps to support or recapitalise all domestic Irish banks and building societies and in doing so has taken significant equity positions in most domestic Irish banks and building societies, in some cases amounting to majority voting control or nationalisation. The Stabilisation Act provides extensive powers to recapitalise and restructure the Irish banking industry.

The EU/IMF Programme states that a fundamental downsizing and reorganisation of the banking system in Ireland is essential. As part of this process, the Central Bank has set loan to deposit ratios for each bank to be achieved by 2013 which is likely to lead to significant restructuring of the Irish

banking system over the next few years and significant change to the Group's business as a result. The implementation of the deleveraging targets set by the Central Bank under the Financial Measures Programme could have a significant adverse impact on the Group's operations. The Government, in its programme for government for national recovery 2011-2016, confirmed its commitment to a smaller banking system and most recently, on 31 March 2011, the Minister announced radical restructuring of the domestic banking system including the reduction of the number of domestic banks to two "pillar banks" (one of which was identified as the Group (including EBS)). The Minister's announcement noted that new restructuring plans would be submitted to the European Commission under EU state aid rules.

- On 24 May 2011, in discharge of its commitments under the EU/IMF Programme, the Government published the Resolution Bill. The Resolution Bill is intended to replace the provisions of the Stabilisation Act, upon the expiry of that Act on 31 December 2012. Pursuant to the provisions of the Resolution Bill as currently drafted, the Group may become subject to a proposed transfer order of part or all of its assets and/or liabilities, a direction to prepare a recovery plan, the preparation of a resolution plan by the Central Bank in respect of the Group's business, or the appointment of a special manager to the Group by the High Court on application by the Central Bank. The Central Bank is also empowered to petition the High Court for the winding up of an institution, including the Group, where such petition is in the public interest. Authorised credit institutions, including the Group, will be required to make contributions to a resolution fund, administered by the Central Bank. This requirement is likely to impact the Group's results and financial condition.

There is no guarantee that further restructuring measures, in addition to those set out above, will not be imposed by the Government and/or the EU Commission and the IMF in future. The foregoing restructuring measures have disrupted and continue to disrupt the Group's business. Any additional and/or accelerated deleveraging or other restructuring measures required to be taken in the banking sector could lead to further material adverse effects on the Group's business, results and financial condition.

Risks relating to the restructuring of the Group

The Group's strategy is to establish a new core bank with a restructured balance sheet. This will be achieved through the separation and progressive disposal and winding down of non-core assets through its deleveraging plan with a target loan to deposit ratio of 122.5 per cent. by December 2013. In May 2011, the Group outlined its new operating model and announced a number of appointments to its new top executive leadership team as well as the dismantling of the former divisional structure, which has been replaced by an integrated bank comprising the following customer facing units: Personal & Business Banking and Corporate, Institutional and Commercial Banking. AIB (UK) will be managed as a separate unit. The integration of EBS as part of the Group is a part of the restructuring required.

To manage deleveraging, the Group has set up a non-core unit to oversee the disposal and run-off of selected assets. In order to meet the requirements of the Financial Measures Programme, the Group may be required to dispose of assets at a price which the Group considers to be below an acceptable level. Implementation of the deleveraging requirements envisaged by the Financial Measures Programme, including restructuring of core and non-core businesses, may also result in disruption to the retained business which may adversely impact its customers and could result in costs which could potentially be substantial.

The Group's business and organisational restructuring represents a significant change programme and brings with it a number of key execution risks, including the impact on labour relations as a consequence of moving to a significantly smaller and less diversified institution.

In addition, the implementation of the cost reduction and business rationalisation programme currently being developed by the Group to re-align its cost base and become a more focused and streamlined organisation may result in the Group incurring significant additional costs (including redundancy costs). Any such programme will take time to implement and may negatively impact on the margins of the Group.

The financial support provided to date by the Government to the Group including the support provided under the latest recapitalisation by the Government in July 2011 is subject to review and approval by the European Commission under EU state aid rules. The Group's original restructuring plan was submitted to the European Commission in November 2009. An updated plan, which incorporated the acquisition of EBS, was submitted by the Group to the European Commission on 29 July 2011. The European Commission may require the Group to undertake structural and behavioural measures, including measures to support the development of competition in the Irish market.

Given the possibility of the imposition of conditions by the European Commission, in connection with the approval of the Group's EU restructuring plan, there can be no assurance that the Group will be able to implement its cost reduction and business rationalisation programme in the way currently envisaged, which could adversely affect the Group's results of operations, financial condition and future prospects.

The Group faces market risks, including non-trading interest rate risk

In common with other banks, some of the most significant market risks that the Group currently faces are interest rate and foreign exchange risks. Changes in interest rate levels, yield curves and spreads may affect the interest rate margin realised between lending and borrowing costs, the effect of which may be heightened during periods of liquidity stress, such as those experienced in recent times. Changes in foreign exchange rates, particularly in the Euro-Sterling and Euro-US dollar exchange rates, affect the value of assets and liabilities denominated in foreign currencies and the reported earnings of the Group's non-Irish subsidiaries and may affect income from foreign exchange dealing. Such changes could therefore have a material adverse effect on the Group's financial condition and operations.

Non-trading interest rate risk is defined as the Group's sensitivity to earnings volatility in its non-trading activity arising from movements in interest rates. Interest rates are highly sensitive to many factors beyond the Group's control, including interest rate and other monetary policies of governments and central banks in the jurisdictions in which it operates. Non-trading interest rate risk in retail, commercial and corporate banking activities can arise from a variety of sources, including when the relevant assets and liabilities and off-balance sheet instruments have different re-pricing dates. Unfavourable movements in interest rates could have a material adverse effect on the Group's financial condition and operations.

The Group faces significant operational and reputational risks

The Group faces a heightened operational risk profile in the current economic environment and in the progression of its significant organisational restructuring programme. One of its key operational risks is people risk. The Group's efforts to restore and sustain the stability of its business on a long-term basis depend in part on the availability of skilled management and the continued service of key members of staff both at its head office and at each of its business units. There have been a number of changes in the membership of the Board of AIB and to senior executive positions over recent years. Failure by the Group to staff its day-to-day operations and its senior management positions appropriately, and failure to replace senior management in a satisfactory and timely manner, could have an adverse effect on the Group's results, financial condition and prospects.

Under the terms of the NPRFC Investments and the ELG Scheme, the Group is also required to comply with certain executive pay and compensation arrangements. As a result of these restrictions, the Group cannot guarantee that it will be able to attract, retain and remunerate highly skilled and qualified personnel

competitively with its peers. If the Group fails to attract and appropriately develop, motivate and retain highly skilled and qualified personnel, its business and results of operations may be negatively affected.

In addition, reputational risk is inherent in the Group's business. Negative public or industry opinion can result from the actual or perceived manner in which the Group conducts its business activities or as a result of its ongoing restructuring. Negative public or industry opinion may adversely affect the Group's ability to keep and attract customers and, in particular, corporate and retail depositors, the loss of which would, in each case, adversely affect the Group's business, financial condition and prospects.

While additional resources have been deployed on legacy customers' restitution issues and a series of process and systems enhancements are in train to mitigate the risk of future cases, there can be no guarantee that new or recurring restitution issues will not arise in the future. Such cases could expose the Group to further customer refunds, increase the Group's operational costs in restituting and remediating impacted customers, lead to a regulatory fine or further undermine the Group's reputation. Any weaknesses in the Group's risk controls or loss mitigation action in respect of operational and reputational risk could have a material adverse effect on the Group's financial condition and operations.

The value of certain financial instruments recorded at fair value is determined using financial models incorporating assumptions, judgements and estimates that may change over time or may ultimately not turn out to be accurate and the value realised by the Group for its assets may be materially different from the current or estimated fair value

Under IFRS, the Group recognises at fair value: (i) derivative financial instruments; (ii) financial instruments through profit or loss; (iii) certain hedged financial assets and financial liabilities; and (iv) financial assets classified as available for sale. The best evidence of fair value is quoted prices in an active market. Generally, to establish the fair value of these instruments, the Group relies on quoted market prices or, where the market for a financial instrument is not sufficiently active, internal valuation models that utilise observable market data. Where quoted prices on active markets are not available, the Group uses valuation techniques which require it to make assumptions, judgements and estimates to establish fair value. In common with other financial institutions, these internal valuation models are complex and the assumptions, judgements and estimates the Group is required to make often relate to matters that are inherently uncertain, such as expected cash flows, the ability of borrowers to service debt, appropriate credit spreads, residential and commercial property price appreciation and depreciation and relative levels of defaults.

Such assumptions, judgements and estimates may need to be updated to reflect changing facts, trends and market conditions. The resulting change in the fair values of the financial instruments could have an adverse effect on the Group's results of operations and financial condition. Valuations in future periods, reflecting then-prevailing market conditions, may result in significant changes in the fair values of the Group's exposures. In addition, the value ultimately realised by the Group may be materially different from the current or estimated fair value.

Any of these factors could require the Group to recognise fair value write-downs or recognise impairment charges, any of which may adversely affect its results of operations, financial condition and prospects.

The Group's businesses and financial condition could be affected by the fiscal, taxation, regulatory or other policies, laws and regulations and other actions of various governmental and regulatory authorities in Ireland, the United Kingdom, the European Union and elsewhere

In common with other banks, the Group is subject to financial services laws, regulations, regulatory oversight, administrative actions and policies in each jurisdiction in which it operates, and failure to comply with any or all of these constitutes a risk. Laws, regulations, regulatory oversight, administrative actions and policies are subject to change, particularly in the current market environment, where there have been unprecedented levels

of government intervention and changes to the regulations governing financial institutions. These and future regulatory and supervisory developments, which the Group expects to face in Ireland, the United States, the United Kingdom, and other countries in which it operates, could have an adverse effect on how the Group conducts its business and on the results of its operations. Areas where laws, regulations and governmental policies could have an adverse impact, and which have not been addressed in other risk factors include, but are not limited to:

- general changes in regulatory policy or changes in regulatory regimes that may significantly influence investor decisions, in particular in markets in which the Group operates or which may increase the costs of doing business in those markets;
- a more intrusive supervisory approach by regulators and a greater propensity to impose regulatory sanctions including fines and public reprimands;
- the imposition of higher standards of consumer protection requirements resulting in significant one-off implementation and ongoing operational costs;
- changes to corporate governance regimes for listed companies (financial institutions in particular) and further developments in corporate governance standards;
- changes to international financial reporting standards and further developments in the financial reporting environment;
- implementation of, or costs related to, local customer or depositor compensation or reimbursement schemes; and
- expropriation, nationalisation, confiscation of assets and changes in legislation relating to foreign ownership or any other unfavourable political, military or diplomatic developments producing social instability or legal uncertainty which, in turn, may affect demand for the Group's products and services.

The Group has engaged, and will continue to engage, in discussions with relevant regulators in Ireland, the United Kingdom and elsewhere, on an ongoing and regular basis, informing them of operational, systems and control evaluations and issues as deemed appropriate or required. Accordingly, it is possible that any matters discussed or identified may result in investigatory actions by regulators, increased costs being incurred by the Group, remediation of systems and controls and public or private censure or fines. Any of those events or circumstances could, either individually or in aggregate, have a significant impact on the Group's results of operations, financial condition and future prospects.

The Group's deferred tax assets are substantially dependent on the generation of future profits over a number of years at the level currently anticipated by the Group and on there being no adverse changes to tax legislation, regulatory requirements or accounting standards

The Group's business performance may not reach the level assumed in the projections that support the carrying value of its deferred tax assets. Lower than anticipated profitability within Ireland and the United Kingdom would lengthen the anticipated period over which the Group's Irish and UK tax losses would be utilised. The value of the deferred tax related to the unutilised tax losses constitutes a substantial portion of the total deferred tax assets recognised on the Group's statement of financial position. A significant reduction in anticipated profit or changes in tax legislation, regulatory requirements, accounting standards or relevant practices could adversely affect the basis for full recognition of the value of these losses, which would adversely affect the Group's results of operations, financial condition and future prospects. In addition, the treatment of the deferred tax assets under the Basel III rules may impact on the Group. Please see the risk factor entitled "*The Group is subject to extensive regulation and supervision in relation to the levels of capital*

and liquidity in its business. The minimum regulatory capital requirements, as well as the manner in which existing regulatory capital is calculated, will change in the future which could have a material adverse effect on the Group's results, financial condition and prospects" for further detail.

The Government, through the NPRFC is the largest shareholder in AIB and is in a position to exert significant influence over the Group and its business

As at the date of these Listing Particulars, the Government, through the NPRFC owns 99.8 per cent. of the ordinary share capital of AIB. No formal "relationship agreement" has been concluded between AIB and the NPRFC in respect of its shareholding in AIB and no specific measures are in place to limit the level of control which may be exercised by the NPRFC.

There is a risk that the Government, through the NPRFC, as AIB's most significant shareholder, might seek to exert influence over the Group, and may disagree with the commercial decisions of the Group, including over such matters as the commercial and consumer lending policies and management of the Group's assets and/or business. There is also a risk that, through its interests in AIB, the Government may be able to influence the Group in other ways that would have a material adverse effect on the Group's business including, among other things, the election of directors, the appointment of senior management at the Group, staff remuneration policies, lending policies and commitments, management of the Group's business including, in particular, management of the Group's assets such as its existing loan portfolios, significant corporate transactions and the issue of new Ordinary Shares. Furthermore, the Government, through the NPRFC also has interests in other Irish financial institutions, as well as an interest in the strength of the Irish banking industry and other industries generally, and those interests may not always be aligned with the commercial interests of the Group or AIB's shareholders.

In addition, under the terms of the ELG Scheme and the NPRFC Investments, the Group is subject to certain commitments to the Irish State and restrictions which have had and will continue to have a significant impact on the manner in which the Group conducts its business. These are discussed further in the risk factor entitled "*The Group is subject to certain commitments and restrictions in relation to the operation of its business under the NPRFC Investments, the NAMA Programme and the ELG Scheme, which may serve to limit the Group's operations. In addition, the Credit Institutions (Stabilisation) Act 2010 entitles the Minister to give directions to the Group in relation to its future conduct, which may serve to limit or expand the Group's operations and could adversely affect its results of operations*" above.

Factors which are material for the purpose of assessing an investment in the CCNs.

The CCNs are subject to the provisions of the laws of Ireland, which may change and have a material adverse effect on the terms and market value of the CCNs

The terms and conditions of the CCNs set out in these Listing Particulars are drafted on the basis of Irish law in effect as at the date of these Listing Particulars. No assurance can be given as to the impact of any possible judicial decision or change to Irish law or administrative practice after the date of these Listing Particulars.

Such changes may include the amendment of any laws and regulations in Ireland in order to implement the proposals by the Basel Committee on Banking Supervision, "Basel III: A global regulatory framework for more resilient bank and banking systems," published in December 2010 as amended and supplemented in January 2011 and the proposals by the European Commission published on 20 July 2011 to introduce a regulation and a directive to aid in maintaining "stronger and more responsible banks in Europe". Any such changes, including as a result of any regulation of the European Parliament and of the European Council having direct effect, could impact the calculation of the Capital Ratio, including the Core Tier 1 Ratio, the Core Tier 1 Amount, the CET1 Ratio, the CET1 Amount and the RWA Amount. Because the occurrence of a Capital Deficiency Event after the CRD IV Implementation Date depends, in part, on the calculation of the

CET1 Ratio, any change in Irish law that could affect the calculation of the CET1 Ratio could also affect the determination of whether a Capital Deficiency Event has actually occurred. This uncertainty may have an adverse effect on the value of the CCNs.

In addition, any change in the generally published application or interpretation of such laws, including a decision of any court or tribunal or any relevant tax authority, that would cause AIB to have to pay Additional Amounts under the CCNs would trigger a Tax Event, at which time AIB has the option, subject to certain conditions, to vary the terms of the CCNs so that they remain or, as appropriate, become, Qualifying CCNs. While the Issuer cannot make changes to the terms of the CCNs that materially adversely affect the collective rights of Holders, no assurance can be given as to whether any of these changes will negatively affect any particular Holder. In addition, the tax and stamp duty consequences of holding such substituted or varied CCNs could be different for some categories of Holders from the tax and stamp duty consequences for them of holding the CCNs.

Furthermore, Ireland enacted the Stabilisation Act on 21 December 2010 which provides a legal basis to facilitate the restructuring of the Irish banking system and gives the Minister for Finance of Ireland (the “**Minister**”) significant powers of intervention in respect of certain institutions specified in the Stabilisation Act (including AIB). These powers enable the Minister, after consulting with the Governor of the Central Bank, to apply to the High Court in Ireland to issue certain orders. Such orders (if issued) could have the effect of modifying or potentially extinguishing the rights (including those relating to the payment of interest and principal, conversion and events of default) attributable to subordinated liabilities of a relevant institution, including the CCNs. On 13 April 2011, the Minister proposed a subordinated liabilities order under Section 28 of the Stabilisation Act in respect of the certain subordinated liabilities issued by AIB, which was approved by the High Court on 14 April 2011 pursuant to Section 29 of the Stabilisation Act.

The Stabilisation Act restricts subordinated creditors from instituting a petition to wind up an institution on the basis of failure to honour the terms of a subordinated liability where the institution in question is in compliance with the terms of an order. In addition once an order is made, no subordinated creditor of the relevant institution may exercise any right of set-off in respect of any amount in connection with the subordinated liabilities owed to the subordinated creditor by the relevant institution.

Pursuant to the provisions of the Resolution Bill as currently drafted, the Group may become subject to a proposed transfer order of part or all of its assets and/or liabilities, a direction to prepare a recovery plan, the preparation of a resolution plan by the Central Bank in respect of its business, or the appointment of a special manager to it by the High Court on application by the Central Bank. The Central Bank is also empowered to petition the High Court for the winding up of an institution, including AIB, where such petition is in the public interest. Authorised credit institutions, including AIB, will be required to make contributions to a resolution fund, administered by the Central Bank. This requirement is likely to impact the Group’s results and financial condition. There can be no assurance that the Minister will not take further action pursuant to the Stabilisation Act in the future, or that the Stabilisation Act will not be amended or that further new legislation, including the Resolution Bill, will not be introduced.

The circumstances triggering Conversion are unpredictable

The occurrence of a Capital Deficiency Event or Non-Viability Event is inherently unpredictable and depends on a number of factors, many of which are outside of the Group’s control. In particular, the occurrence of a Capital Deficiency Event after the CRD IV Implementation Date depends, in part, on the calculation of the CET1 Ratio, which can be affected, among other things, by the growth of the Group’s business and its future earnings, regulatory changes (including possible changes in regulatory capital definitions and calculations), changes in applicable law and the Group’s ability to manage RWAs.

The Competent Authority may, in its absolute discretion, notify AIB that it has determined that Conversion of the CCNs, together with the conversion or write off of Holders' claims in respect of any Tier 1 Instruments or Tier 2 Instruments that, pursuant to their terms or by operation of law, are capable of being converted into equity or written off at that time, is, because customary measures to improve the Group's capital adequacy are at the time inadequate or unfeasible, an essential requirement to prevent AIB from becoming insolvent, bankrupt or unable to pay its debts as they fall due, or from ceasing to carry on its business, or from failing to meet its minimum capital adequacy requirements, as determined by the Competent Authority.

Additionally, if customary measures to improve the Group's capital adequacy are at the time inadequate or unfeasible, and if the Group has received an irrevocable commitment of extraordinary support from any State Entity (beyond customary transactions and arrangements in the ordinary course) that has, or imminently will have, the effect of improving the Group's capital adequacy, the Competent Authority may determine that, without such irrevocable commitment, the Issuer would become insolvent, bankrupt, unable to pay its debts as they fall due, cease carrying on its business or fail to meet its minimum capital adequacy requirements.

The occurrence of a Non-Viability Event is subject to, *inter alia*, a subjective determination by the Competent Authority, in the Competent Authority's sole discretion requiring AIB to accept support from a State Entity. As a result, the Competent Authority may require the conversion of the CCNs into Ordinary Shares in circumstances that are beyond the control of the Issuer and with which the Issuer does not agree.

Because of the inherent uncertainty regarding the determination of whether a Capital Deficiency Event or Non-Viability Event exists, it will be difficult to predict when, if at all, the CCNs will be mandatorily converted into Ordinary Shares. Any indication that the Group is trending towards a Capital Deficiency Event or a Non-Viability Event can be expected to have an adverse effect on the market price of the CCNs and on the price of the Ordinary Shares.

Holders will bear the risk of fluctuation in the value and illiquidity of AIB's Ordinary Shares

Upon the occurrence of a Capital Deficiency Event or a Non-Viability Event, the CCNs will be mandatorily converted into Ordinary Shares. Trading prices of the Ordinary Shares will be influenced by, among other things, the financial position of the Group, its results of operations and political, economic, financial and other factors. Because a Capital Deficiency Event will occur when AIB's Capital Ratio will have deteriorated significantly and a Non-Viability Event will occur when AIB's chances of continuing as a going concern will have deteriorated significantly, the Capital Deficiency Event or Non-Viability Event will likely be accompanied by a prior deterioration in the market price of the Ordinary Shares, which may be expected to continue after declaration of the Capital Deficiency Event or Non-Viability Event. Therefore, if there were a Capital Deficiency Event or Non-Viability Event, Holders will receive Ordinary Shares at a time when the market price of the Ordinary Shares is diminished.

In addition, due to the large proportion of AIB's ordinary share capital which is held by the NPRFC, there is currently, and may remain, a very limited secondary trading market in the Ordinary Shares. AIB's Ordinary Shares are currently listed on the ESM only, following cancellation of the listing of those shares on the Main Securities Market of the Irish Stock Exchange, the cancellation of admission of those shares to the Official List maintained by the UK Financial Services Authority and the cancellation of trading in those shares on the main market of the London Stock Exchange on 25 January 2011, and the recent delisting of AIB's American Depositary Shares from the New York Stock Exchange on 26 August 2011. Therefore, there can be no assurance that a liquid market will develop at any time before, or following, the CCNs being converted into Ordinary Shares if a Capital Deficiency Event or Non-Viability Event were to occur.

Many investors in convertible or exchangeable securities seek to hedge their exposure in the underlying equity securities at the time of acquisition of the convertible or exchangeable securities, often through short selling of the underlying equity securities or through similar transactions. Prospective investors in the CCNs

may look to sell Ordinary Shares in anticipation of taking a position in, or during the term of, the CCNs. This could cause downward pressure on the price of the Ordinary Shares, which is likely to be compounded by the limited secondary trading market for such securities.

Holders have limited anti-dilution protection and adjustments to the Conversion Price may be unpredictable

The Conversion Price will be adjusted in the event that there is a capitalisation of reserves, profits or premium by way of distribution of Ordinary Shares, a consolidation or subdivision of the Ordinary Shares, Capital Distributions, rights issues or grant of other subscription rights or certain other adjustments which affect the Ordinary Shares, but only in the situations and to the extent provided in “Terms and Conditions of the CCNs—Conversion—Adjustments to the Conversion Price”. There is no requirement that there should be an adjustment for every corporate or other event that may affect the value of the Ordinary Shares or that, if a Holder of the CCNs were to have held the Ordinary Shares at the time of such adjustment, such Holder would not have benefited to a greater extent. Accordingly, events in respect of which no adjustment to the Conversion Price is made may adversely affect the value of the CCNs.

In addition, the limited secondary trading market for the Ordinary Shares, may create volatility in the trading price of the Ordinary Shares and there can be no assurance as to the ability of the holder of an Ordinary Share to recover the quoted trading price of an Ordinary Share on any disposal. Accordingly, any adjustments to the Conversion Price which are based on the volume-weighted average price (VWAP) of an Ordinary Share, may produce unpredictable results, which could have an adverse effect on the number of Ordinary Shares which a Holder receives if the CCNs are converted in accordance with the Terms and Conditions of the CCNs.

Adjustments to the Conversion Price are subject to the nominal value of the Ordinary Shares being reduced

Notwithstanding the adjustments to the Conversion Price provided in “Terms and Conditions of the CCNs—Conversion—Adjustments to the Conversion Price”, the Conversion Price may not be reduced to below the nominal value of the Ordinary Shares which is prevailing at the effective date of the relevant adjustment. At the date of these Listing Particulars, the Conversion Price is equal to the nominal value of the Ordinary Shares. Accordingly, AIB will need to seek the agreement of its Shareholders in a general meeting to reduce the nominal value of the Ordinary Shares prior to undertaking any event which would give rise to an adjustment to the Conversion Price to a price below the then nominal value of the Ordinary Shares. Therefore, AIB is restricted from undertaking any corporate events or other actions which would require a downward adjustment to the Conversion Price, until such time as it has obtained the approval of its Shareholders to reduce the nominal value of the Ordinary Shares.

The obligations of AIB under the CCNs are subordinated and will be further subordinated upon conversion into Ordinary Shares

In the event of the liquidation, dissolution or winding-up of the Issuer prior to a Conversion having occurred, the rights and claims of the Holders against the Issuer in respect of or arising under (including any damages awarded for breach of any obligation under) the CCNs shall generally rank (A) junior to the claims of all holders of unsubordinated obligations of the Issuer, (B) *pari passu* with the claims of holders of all other subordinated obligations of the Issuer which qualify as consolidated Tier 2 Capital of the Group for regulatory capital purposes or which rank, or are expressed to rank, *pari passu* with the CCNs, and (C) senior to the claims of holders of all other subordinated obligations of the Issuer which rank, or are expressed to rank, junior to the CCNs including any subordinated obligations of the Issuer which qualify as Tier 1 Capital of the Group for regulatory purposes.

Therefore, if the Issuer was wound up, liquidated or dissolved, the Issuer's liquidator would first apply assets of the Issuer to satisfy all claims of holders of unsubordinated obligations. If the Issuer does not have sufficient assets to settle claims of holders of unsubordinated obligations in full, the claims of the Holders under the CCNs will not be settled. The CCNs will share equally in payment with those subordinated obligations of the Issuer which rank *pari passu* with the CCNs if the Issuer does not have sufficient funds to make full payments on all of them.

In such a situation, Holders could lose all or part of their investment.

In addition, if the CCNs are converted into Ordinary Shares following a Capital Deficiency Event or a Non-Viability Event, each Holder will be effectively further subordinated due to their conversion from being the holder of a debt instrument to being the holder of Ordinary Shares, and there is an enhanced risk that Holders will lose all or some of their investment.

There are limited remedies available under the CCNs

In accordance with the Competent Authority's requirements for Tier 2 capital, and as more particularly described in "Terms and Conditions of the CCNs—Events of Default", the CCNs contain limited Events of Default, confined to non-payment of sums due on the CCNs for specified periods and the commencement of proceedings for the winding up or liquidation of the Issuer. Upon an Event of Default under the CCNs, Holders have only limited enforcement remedies. These are limited to instituting proceedings for, and/or proving in, the winding-up or liquidation of the Issuer.

If a Takeover Event occurs, the CCNs may be convertible into unlisted shares or shares in an entity other than AIB

If a Takeover Event occurs where the Acquirer of AIB has ordinary share capital which is admitted to trading on a Recognised Stock Exchange and the Acquirer agrees to make that share capital available on Conversion, the CCNs shall, subject to certain conditions, become convertible into such share capital at the New Conversion Price (as more fully described under "Terms and Conditions of the CCNs—Conversion—Conversion on a Takeover Event"). There can be no assurance as to the nature of any such Acquirer, or of the risks associated with becoming an actual or potential shareholder in such Acquirer and accordingly a Qualifying Takeover Event may have an adverse effect on the value of the CCNs. Further, a Takeover Event shall occur only where an Acquirer (together with any parties acting in concert with it) acquires legal or beneficial ownership of more than 95 per cent. of the issued Ordinary Shares and as a result the Ordinary Shares are no longer admitted to trading on a Recognised Stock Exchange. Accordingly, there can be no assurance that the acquisition by an Acquirer of less than 95 per cent. of the Ordinary Shares will not have an adverse effect on the value of the CCNs.

If the Ordinary Shares become delisted following a Takeover Event which is not a Qualifying Takeover Event or otherwise, the CCNs shall remain convertible into unlisted Ordinary Shares as more fully described under "Terms and Conditions of the CCNs—Conversion—Conversion on a Takeover Event". There can be no assurance as to the risks associated with becoming an actual or potential shareholder in unlisted Ordinary Shares and accordingly a Non-Qualifying Takeover Event may have an adverse effect on the value of the CCNs.

Holders will not be entitled to any rights with respect to the Ordinary Shares, but will be subject to all changes made with respect to the Ordinary Shares

The exercise of voting rights and rights related thereto with respect to any Ordinary Shares is only possible after the Conversion Settlement Date and the registration of the person entitled to the Ordinary Shares in AIB's share register as a shareholder with voting rights in accordance with the provisions of, and subject to the limitations provided in, the articles of association of AIB.

Ordinary Shares to be delivered upon Conversion of the CCNs will be delivered through CREST

The CCNs are represented by a single definitive registered certificate. Ordinary Shares to be delivered upon conversion of the CCNs will be delivered in uncertificated form through CREST, unless at the relevant time the Ordinary Shares are not a participating security in CREST or the relevant Holder elects otherwise, in which case Ordinary Shares will be delivered in certificated registered form. Accordingly, in the event of Conversion of CCNs into Ordinary Shares to be delivered in uncertificated form, Holders will need to have direct or indirect access to CREST, and will be required to provide the details of their CREST account, in order to receive their Ordinary Shares.

There is no restriction on the amount or type of further securities or indebtedness which AIB may issue

There is no restriction on the amount or type of further securities or indebtedness which AIB may issue or incur, as the case may be, which rank senior to, or *pari passu* with, the CCNs. The issue of any such further securities or indebtedness may reduce the amount recoverable by Holders on a winding-up of the Issuer under the CCNs and may limit the ability of the Issuer to meet its obligations under the CCNs. In addition, the CCNs do not contain any restriction on AIB issuing securities that may have preferential rights to the Ordinary Shares or securities with similar, different or no Capital Deficiency Event or Non-Viability Event provisions.

The EU Savings Directive imposes certain informational and withholding requirements, which are subject to change

Under EC Council Directive 2003/48/EC (for the purposes of the following paragraph, the “**Directive**”) on the taxation of savings income, Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State or to certain limited types of entities established in that other Member State. However, for a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). The European Commission has proposed certain amendments to the Directive, which may, if implemented, amend or broaden the scope of the requirements described above.

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

No public market exists for the CCNs, and there are uncertainties regarding the existence of any trading market for the CCNs

The CCNs are new securities which, at the date of these Listing Particulars, are held exclusively by the Minister, and are represented by a single definitive registered certificate, which is held outside of the clearing systems. Although application has been made for the CCNs to be admitted to the Official List and to trading on the Global Exchange Market, there is currently no active trading market in the CCNs and it is not expected that a liquid trading market for the CCNs will develop. Illiquidity may have an adverse effect on the market value of the CCNs. If the CCNs are traded in the future, they are likely to trade with significant price volatility and at a discount to their issue price, depending upon prevailing interest rates, the market for similar securities, general economic conditions, the Group’s results of operations, fluctuations in the Group’s Capital Ratio and the market price of the Ordinary Shares.

The market value of the CCNs may be influenced by unpredictable factors

Many factors, most of which are beyond the Issuer's control, will influence the value of the CCNs, including:

- (i) the trading price of the Ordinary Shares;
- (ii) the creditworthiness of the Group and, in particular, the level of the Group's Capital Ratio from time to time; and
- (iii) economic, financial, political or regulatory events or judicial decisions that affect the Issuer and the Group or the financial markets generally.

Holders are subject to interest rate risks.

Because the CCNs bear a fixed rate of interest, an investment in the CCNs involves the risk that subsequent changes in market interest rates may adversely affect the value of the CCNs.

TERMS AND CONDITIONS OF THE CCNS

The following (excluding this paragraph) is the text of the terms and conditions (the “Conditions”) of the CCNs which (subject to modification) have been endorsed on the Certificates relating to the CCNs.

The €1,600,000,000 10.00 per cent. Contingent Capital Tier 2 Notes due 28 July 2016 (“CCNs”) issued by Allied Irish Banks, plc (the “Issuer”), which expression shall in these Conditions include any further CCNs issued pursuant to Condition 10 and forming a single series with the CCNs, are subject to these Conditions and are issued pursuant to an agency deed dated on or about the Issue Date (the “Agency Deed”) made between the Issuer and Citibank N.A., London Branch as fiscal agent (the “Fiscal Agent”) and registrar (the “Registrar”) (together with any other agent or agents appointed from time to time with respect to the CCNs, the “CCN Agents” and each a “CCN Agent”). Copies of the Agency Deed will be available during usual business hours at the specified offices of the Fiscal Agent.

The Holders are entitled to the benefit of, are bound by, and are deemed to have notice of those provisions applicable to them of the Agency Deed.

1 Form, Denomination and Title

The CCNs are issued in definitive registered form, serially numbered, in denominations of €100,000 and integral multiples of €1,000 in excess thereof.

The CCNs are represented by a definitive registered certificate or, as the case may be, definitive registered certificates (each, a “Certificate”) and, save as provided in these Conditions, each Certificate shall represent the entire holding of CCNs by the same Holder.

Title to the CCNs shall pass by registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Deed (the “Register”).

2 Status and Subordination of the CCNs

(a) Status

The CCNs constitute direct, unsecured and subordinated obligations of the Issuer and rank *pari passu* and without any preference among themselves. The rights and claims of the Holders are subordinated as described in Condition 2(b).

(b) Subordination

Subject as provided below, in the event of an order being made, or an effective resolution being passed, for the liquidation, dissolution or winding-up of the Issuer by reason of insolvency, bankruptcy or otherwise, the rights and claims of the Holders against the Issuer in respect of or arising under (including any damages awarded for breach of any obligation under) the CCNs shall, subject to any obligations which are mandatorily preferred by law, rank (A) junior to the claims of all holders of unsubordinated obligations of the Issuer, (B) *pari passu* with the claims of holders of all other subordinated obligations of the Issuer which qualify as consolidated Tier 2 Capital of the Group for regulatory capital purposes or which rank, or are expressed to rank, *pari passu* with the CCNs, and (C) senior to the claims of holders of all other subordinated obligations of the Issuer which rank, or are expressed to rank, junior to the CCNs including any subordinated obligations of the Issuer which qualify as Tier 1 Capital of the Group for regulatory purposes.

3 Interest

(a) Interest Payment Dates

Each CCN bears interest on its principal amount from time to time from (and including) the Issue Date (the “**Interest Commencement Date**”) and interest will be payable in arrear at the Rate of Interest (as defined below) on 27 July in each year (each an “**Interest Payment Date**”) up to (but excluding) the Maturity Date in accordance with Condition 7.

If any Interest Payment Date falls on a day which is not a Business Day, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would then fall into the next calendar month, in which event the Interest Payment Date shall be brought forward to the immediately preceding Business Day.

The period from and including the Interest Commencement Date to (but excluding) the first Interest Payment Date, and each successive period from and including an Interest Payment Date to (but excluding) the next succeeding Interest Payment Date, or if earlier, the Maturity Date or the Conversion Date is called an “**Interest Period**”.

(b) Interest Accrual

Interest accrues on each CCN from day to day from (and including) the Interest Commencement Date to (but excluding) the date on which such CCN has been redeemed or converted in accordance with these Conditions. Each CCN will cease to bear interest from and including the due date for redemption unless, upon due presentation and surrender of the relevant Certificate, payment of the principal in respect of such CCN is improperly withheld or refused or unless default is otherwise made in respect of payment. In such event, interest will continue to accrue until whichever is the earlier of:

- (i) the date upon which all amounts due in respect of such CCN has been paid;
- (ii) five days after the date on which the full amount of the moneys in respect of such CCN has been received by the Fiscal Agent and notice to that effect has been given to the Holders; and
- (iii) in the case of a Conversion (as defined below), the Conversion Date.

(c) Fixed Rate of Interest

Subject to Condition 3(g), interest is payable on each Interest Payment Date at a rate of 10.00 per cent. per annum (the “**Rate of Interest**”) and shall be calculated in accordance with these Conditions on each Interest Payment Date in respect of each CCN.

(d) Calculations

If interest is required to be calculated for a period other than a complete Interest Period, the day count fraction used will be the actual number of days in the relevant period divided by the actual number of days in the Interest Period in which such payment falls (including the first such day but excluding the last).

(e) Notifications to be Final

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of these Conditions by the Fiscal Agent will, in the absence of wilful default, bad faith or manifest error, be binding on the Issuer, the Fiscal Agent and the Holders and in the absence of wilful default, bad faith or manifest error, no liability to the Issuer or the Holders shall attach to the Fiscal Agent in connection with exercise or non-exercise by it of its powers, duties and discretions under these Conditions.

(f) No Deferral

The Issuer shall not be entitled to defer or cancel any payments of interest or any other amounts payable in respect of the CCNs.

(g) Remarketing Option

- (i) For as long as the Initial Holder is Holder of 100 per cent. of the CCNs, the Initial Holder may, at any time, increase the Rate of Interest on the CCNs (such increased rate, the “**New Interest Rate**”) as determined by an independent investment bank appointed by the Initial Holder (the “**Remarketing Agent**”) but with effect only from the date that the CCNs are sold by the Initial Holder to any other person other than any State Entity (a “**Third Party Sale**”).
- (ii) For the purposes of this Condition 3(g), the New Interest Rate will not exceed 18.00 per cent. per annum.
- (iii) The Initial Holder will provide at least 15 Business Days’ notice in writing to the Issuer of any proposed Third Party Sale or such longer period as may be approved in writing by the Initial Holder. During such period, the Issuer may solicit other third party investors, at a potentially lower interest rate than the rate described in Condition 3(g)(ii), to whom the entire principal amount of the CCNs may be sold at an equivalent or higher price than the Initial Holder would receive for any proposed Third Party Sale.
- (iv) Notwithstanding any other provision of these Conditions or the Agency Deed to the contrary, the Initial Holder shall have absolute discretion as to whether to sell the CCNs, to whom it may sell the CCNs and the terms of any such sale.
- (v) The Issuer shall, if required by the Initial Holder: (a) disclose to the Initial Holder the identity of any third party investors solicited or to be solicited by the Issuer pursuant to Condition 3(g)(iii) and (b) provide and/or disclose to the Initial Holder all such information necessary, as determined by the Initial Holder in its absolute discretion, to facilitate a Third Party Sale.

(h) Maintenance of Agents

The Issuer shall ensure that, so long as any of the CCNs remain outstanding, there shall at all times be a Fiscal Agent having its office in a European city (other than Ireland) and not operating through a branch in Ireland, and that, if the Issuer or the Fiscal Agent would be required to withhold or deduct tax in respect of payments on the CCNs, the Issuer undertakes that it will ensure that it maintains a Fiscal Agent in a Member State of the European Union (other than Ireland) that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC on the taxation of savings or any law implementing or complying with, or introduced in order to confirm to, such Directive.

4 Conversion

(a) Conversion upon a Conversion Event

- (i) If a Conversion Event occurs at any time while the CCNs are outstanding, each CCN shall, subject to and as provided in this Condition 4, be immediately and mandatorily redeemed as of the Conversion Date and settled (such redemption and settlement being the “**Conversion**” and the term “**converted**” shall be construed accordingly) by the allotment, issue and delivery by the Issuer of fully paid Ordinary Shares to the Holders on the date specified in the Conversion Notice (as defined below), which date shall be no later than 20 Business Days following the Conversion Date (the “**Conversion Settlement Date**”). Subject to Condition 4(c), receipt by the Holders of the Ordinary Shares and Accrued Conversion Interest (if any) shall be a good and complete discharge of the Issuer’s obligations in respect of the CCNs.

- (ii) As soon as reasonably practicable following the occurrence of the Conversion Event, the Issuer shall give notice thereof to Holders (the “**Conversion Notice**”) in accordance with Condition 13. The Conversion Notice shall specify the circumstances giving rise to the Conversion Event, the Conversion Price and the Conversion Settlement Date.
- (iii) If a Conversion Event occurs, the CCNs will be converted in whole and not in part as provided in accordance with this Condition 4(a). CCNs so converted shall be automatically cancelled by the Issuer and may not be held, reissued or resold.
- (iv) Except on the occurrence of a Conversion Event, the CCNs are not convertible into Ordinary Shares at the option of Holders at any time and are not redeemable in cash as a result of a Conversion Event.
- (v) No Conversion Notice shall be given and no Conversion shall occur following a Capital Deficiency Event if, notwithstanding the Capital Ratio being below the Trigger Ratio, the Competent Authority, at the request of the Issuer, has agreed, in its absolute discretion, that a Conversion shall not occur because it is satisfied that actions, circumstances or events have had, or imminently will have during the next 90 days following such Capital Deficiency Event, the effect of restoring the Capital Ratio to a level above the Trigger Ratio that the Competent Authority deems to be adequate at such time.
- (vi) Notwithstanding Condition 4(a)(v), a Conversion Event will immediately occur if the Competent Authority determines, in its absolute discretion, that at any time after agreeing under Condition 4(a)(v) that no Conversion Event shall occur, the Issuer will not be able to restore the Capital Ratio to a level above the Trigger Ratio that the Competent Authority deems to be adequate at such time.

(b) *Accrued Conversion Interest*

- (i) Upon Conversion, Accrued Conversion Interest shall become due and payable on the Conversion Date and the Issuer shall pay to the Holders the Accrued Conversion Interest (if any) in respect of the CCNs on the Conversion Settlement Date.
- (ii) Payment of any Accrued Conversion Interest will be made in cash by transfer to an account with a bank in a city in which banks have access to the TARGET System, as specified by the relevant Holder.

(c) *Conversion Price*

- (i) Upon Conversion, each Holder shall be deemed to have accepted the conversion of its holding of CCNs into Ordinary Shares at the Conversion Price and that the Issuer shall effect such Conversion on behalf of such Holder. Such Ordinary Shares will be deemed to be credited as fully paid up and allotted, issued and delivered as of the Conversion Date, whereupon each Holder shall cease as a matter of Irish law to be treated for all purposes under Irish law as a Holder and shall instead as of such date be treated for all purposes under Irish law as a Shareholder.
- (ii) The Issuer shall, not later than the Conversion Settlement Date, allot, issue and deliver such number of Ordinary Shares to the Holders in respect of each CCN as is determined by dividing the principal amount of such CCN by the Conversion Price in effect on the Conversion Date.
- (iii) The Conversion Price shall be subject to adjustment in the circumstances provided in Condition 4(e) (with such modifications and amendments as an Independent Financial Adviser acting in

good faith shall determine to be appropriate) and the Issuer shall give notice to Holders of the adjusted Conversion Price and of any such modifications and amendments thereafter.

(d) Conversion on a Takeover Event

- (i) If a Qualifying Takeover Event occurs then the CCNs shall, where the Conversion Date falls on or after the Takeover Event Date, be convertible into Approved Entity Shares upon the occurrence of a Conversion Event, *mutatis mutandis* as provided in accordance with this Condition 4, at a Conversion Price that shall be the New Conversion Price.
- (ii) The New Floor Price shall be subject to adjustment in the circumstances provided in Condition 4(e) for the adjustment of the Conversion Price (if necessary with such modifications and amendments as an Independent Financial Adviser acting in good faith shall determine to be appropriate) and the Issuer shall give notice to Holders of the New Floor Price and of any such modifications and amendments thereafter.
- (iii) If a Non-Qualifying Takeover Event occurs then, with effect from the occurrence of such Non-Qualifying Takeover Event and unless a Conversion Event shall have occurred prior to such date, any outstanding CCNs shall remain the obligation of the Issuer and shall, upon the occurrence of a Conversion Event, be convertible into Ordinary Shares in accordance with this Condition 4 but shall not be convertible into Approved Entity Shares at any time notwithstanding that a Conversion Event may occur subsequently.
- (iv) In the case of a Qualifying Takeover Event:
 - (1) the Issuer shall, on or prior to the Takeover Event Date, enter into such agreements and arrangements, (which may include deeds supplemental to these Conditions and amendments and modifications to these Conditions) as may be required to ensure that, with effect from the Takeover Event Date, the CCNs will be convertible into Approved Entity Shares, *mutatis mutandis* in accordance with, and subject to, this Condition 4 (as may be so supplemented, amended or modified) at a price equal to the New Conversion Price and that subject to such Conversion the CCNs shall remain the obligations of the Issuer; and
 - (2) the Issuer shall, where the Conversion Date falls on or after the Takeover Event Date, procure the allotment and issue and/or delivery of the relevant number of Approved Entity Shares in the manner provided in this Condition 4, as may be amended or modified as provided above.
- (v) Within 10 Business Days following the occurrence of a Takeover Event, the Issuer shall give notice thereof in accordance with Condition 13 to the Holders (a “**Takeover Event Notice**”), which shall specify:
 - (1) the identity of the Acquirer;
 - (2) whether the Takeover Event is a Qualifying Takeover Event or a Non-Qualifying Takeover Event;
 - (3) in the case of a Qualifying Takeover Event, if determined at such time, the New Conversion Price; and
 - (4) in the case of a Qualifying Takeover Event, the Takeover Event Date.

(e) Adjustments to the Conversion Price

Upon the happening of any of the events described below, the Conversion Price shall be adjusted as follows, unless, for as long as the Initial Holder is a holder of 100 per cent. of the CCNs and the circumstances giving rise to such adjustment occur within six months of the Issue Date, the Initial Holder agrees that no adjustment is required:

- (i) *Increase of share capital by means of capitalisation of reserves, profits or premia by distribution of Ordinary Shares, or division or consolidation of Ordinary Shares*

Subject to Condition 4(f), in the event of a change in the Issuer's share capital as a result of the capitalisation of reserves, profits or premia by means of the distribution of Ordinary Shares or as a result of the division or consolidation of the Ordinary Shares, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such change by the result of the following formula:

$$N_{\text{old}} / N_{\text{new}}$$

where:

N_{old} is the number of Ordinary Shares existing before the change in share capital; and

N_{new} is the number of Ordinary Shares existing after the change in share capital;

provided, however, that no such adjustment shall be made if Ordinary Shares are issued in lieu of the whole or any part of a Cash Dividend, or another cash distribution made in lieu of a dividend, which the Shareholders concerned would or could otherwise have received. Such adjustment shall become effective on the date on which such Ordinary Shares are traded ex-the relevant entitlement on the Primary Stock Exchange.

- (ii) *Issues of Ordinary Shares or Other Securities to Shareholders by way of conferring subscription or purchase rights*

Subject to Condition 4(f), if (a) the Issuer issues or grants to Shareholders any rights or options, warrants or other rights to subscribe for or acquire Ordinary Shares, Other Securities or securities convertible or exchangeable into Ordinary Shares or Other Securities or (b) any third party, with the agreement of the Issuer, issues to holders of Ordinary Shares any rights, options or warrants to purchase any Ordinary Shares, Other Securities or securities convertible or exchangeable into Ordinary Shares or Other Securities (the rights referred to in (a) and (b) collectively and individually being the "**Purchase Rights**"), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such issue or grant by the result of the following formula:

$$(P_{\text{cum}} - R) / P_{\text{cum}}$$

where:

P_{cum} is the VWAP of one Ordinary Share on whichever is the later of (x) the last dealing day immediately preceding the first date on which the Ordinary Shares are first traded ex-the relevant Purchase Rights on the Primary Stock Exchange or (y) the dealing day when the price for the relevant Purchase Rights is announced, or if the day the subscription or purchase price is announced is not a dealing day, the next following dealing day; and

R is the value of the relevant Purchase Rights relating to one Ordinary Share or Other Security, such value to be calculated as follows:

- (1) if the Purchase Rights relate to Ordinary Shares

$$R = P_{\text{cum}} - \text{TERP}$$

where:

$$\text{TERP} = (N_{\text{old}} \times P_{\text{cum}} + N_{\text{new}} \times (P_{\text{rights}} + \text{Div})) / (N_{\text{old}} + N_{\text{new}})$$

and:

TERP is the theoretical ex-rights price; and

N_{old} is the number of Ordinary Shares existing before the change in share capital; and

N_{new} is the number of Ordinary Shares being newly issued; and

P_{rights} is the price at which one new Ordinary Share can be subscribed, exercised or purchased for; and

Div is the amount (in euro) by which the dividend entitlement per Ordinary Share exceeds the dividend entitlement per new Ordinary Share, (x) if dividends have already been proposed to the general meeting of shareholders but not yet paid, based on the proposed dividend amount, or (y) if dividends have not yet been proposed based on the last paid dividend;

provided, however, that no such adjustment shall be made if the subscription or purchase price at which one new Ordinary Share can be subscribed or purchased is at least 95 per cent. of P_{cum} (as defined above);

- (1) if the Purchase Rights relate to Other Securities or to securities convertible or exchangeable into Ordinary Shares or Other Securities and where such Purchase Rights, or Other Securities are traded on a regulated stock exchange in the European Union, the United States of America, Canada or Japan:

$$R = N_{\text{rights}} \times P_{\text{rights}}$$

where:

N_{rights} is the number of Purchase Rights granted per Ordinary Share; and

P_{rights} is the average of the last paid prices on the Primary Stock Exchange (in euro) (or, if no dealing is recorded, the arithmetic mean of the bid and offered prices) on a spot basis of one Purchase Right on each dealing day during the period the Purchase Rights are traded or, if such period is longer than ten dealing days, the arithmetic average of the last paid prices (or, if no dealing is recorded, the arithmetic mean of the bid and offered prices) on a spot basis on the first ten such dealing days; or

- (2) in all other cases where neither of the previous paragraphs (1) or (2) is applicable:

R will be determined by an Independent Financial Adviser.

Such adjustment shall become effective:

- (i) where the provisions of Condition 4(e)(ii)(1) apply, on the date on which the Ordinary Shares are traded ex-Purchase Rights on the Primary Stock Exchange or, if the

subscription or exercise price is announced only at a later time, one dealing day after the announcement of the price of the Purchase Right;

- (ii) where the provisions of Condition 4(e)(ii)(2) apply, five dealing days after (x) the end of the subscription or purchase period or (y) the tenth day of the subscription or purchase period, whichever is the sooner; and
- (iii) where the provisions of Condition 4(e)(ii)(3) apply, on the date determined by an Independent Financial Adviser.

(iii) *Capital Distributions*

Subject to Condition 4(f), if and whenever any Capital Distribution shall be made or paid to Shareholders, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to the Effective Date by the following fraction:

$$(P_{\text{cum}} - D) / P_{\text{cum}}$$

where:

P_{cum} is the VWAP of one Ordinary Share on whichever is the later of (x) the last dealing day immediately preceding the Effective Date or (y) the dealing day when the relevant Dividend is announced (or, if the day on which the amount of the relevant Dividend is announced is not a dealing day, the next following dealing day); and

D is the portion of the Fair Market Value of the aggregate Capital Distribution attributable to one Ordinary Share, with such portion being determined by dividing the Fair Market Value of the aggregate Capital Distribution on the Effective Date by the number of Ordinary Shares entitled to receive the relevant Dividend (or, in the case of a purchase, redemption or buy back of Ordinary Shares (or any depositary or other receipts or certificates representing Ordinary Shares) by or on behalf of the Issuer or any Subsidiary of the Issuer, by the number of Ordinary Shares in issue immediately following such purchase, redemption or buy back, and treating as not being in issue any Ordinary Shares (or any Ordinary Shares represented by depositary or other receipts or certificates) so purchased, redeemed or bought back).

Such adjustment shall become effective on the Effective Date or, if later, the first date upon which the Fair Market Value of the relevant Capital Distribution is capable of being determined as provided herein.

(iv) *Non-Cash Dividends*

Subject to Condition 4(f), in respect of a Non-Cash Dividend, the Conversion Price shall be adjusted as follows:

- (1) where the Non-Cash Dividend in question (x) consists of securities that are traded on a regulated stock exchange in the European Union, the United States of America, Canada or Japan or (y) has otherwise a value which is determinable by reference to a stock exchange quotation or otherwise, by multiplying the Conversion Price in force immediately prior to such Non-Cash Dividend by the result of the following formula:

$$(P_{\text{cum}} - D) / P_{\text{cum}}$$

where:

P_{cum} is the VWAP of one Ordinary Share on whichever is the later of (x) the last dealing day preceding the date on which the Ordinary Shares are first traded ex-the relevant Non-Cash Dividend on the Primary Stock Exchange or (y) the dealing day when the amount of the relevant Non-Cash Dividend is announced (or, if the day on which the amount of the relevant Non-Cash Dividend is announced is not a dealing day, the next following dealing day); and

D is the portion of the Fair Market Value of the relevant Non-Cash Dividend (in euro) on the dealing day immediately following the date in respect of which P_{cum} (as defined above) has been determined; and

- (2) in all other cases, by multiplying the Conversion Price in force immediately prior to such issue or distribution by the result of the following formula:

$$P_{after} / P_{before}$$

where:

P_{after} is the arithmetic average of the VWAP of an Ordinary Share on the first five consecutive dealing days starting on the dealing day immediately following the first dealing day on which the Ordinary Shares are traded ex-the relevant Non-Cash Dividend (the “**Distribution Date**”); and

P_{before} is arithmetic average of the VWAP of an Ordinary Share on the five consecutive dealing days ending on the dealing day immediately preceding the Distribution Date,

as determined by an Independent Financial Adviser.

Such adjustment shall become effective:

- (i) where the provisions of Condition 4(e)(iv)(1) apply, on the date on which the relevant Non-Cash Dividend is made; and
- (ii) where the provisions of Condition 4(e)(iv)(2) apply, five dealing days after the Distribution Date.

(v) *Other Events*

If the Issuer determines that, notwithstanding paragraphs (i) to (iv) of this Condition 4(e), an adjustment should be made to the Conversion Price as a result of one or more of the events or circumstances not referred to in this Condition 4(e) or circumstances have arisen which might have an adverse effect on the right of the Holders upon Conversion of the CCNs and no adjustment of the Conversion Price under this Condition 4(e) would otherwise arise, the Issuer shall engage the advice or services of an Independent Financial Adviser to determine as soon as practicable what adjustment, if any, to the Conversion Price or amendment, if any, to the terms of this Condition 4 is fair and reasonable to take into account thereof and the date on which such adjustment should take effect. The Independent Financial Adviser shall have no responsibility to make any enquiries as to whether or not any event has occurred which might require an adjustment to the Conversion Price or amendment, if any, to the terms of this Condition 4.

Notwithstanding the foregoing provisions of this Condition 4(e)(v):

- (1) where the events or circumstances giving rise to any adjustment pursuant to this Condition 4(e) have already resulted or will result in an adjustment to the Conversion Price or where the events or circumstances giving rise to any adjustment arise by virtue of any other events or circumstances which have already given or will give rise to an adjustment to the Conversion Price or where more than one event which gives rise to an adjustment to the Conversion Price occurs within such a short period of time that, in the opinion of the Issuer, a modification to the operation of the adjustment provisions is required to give the intended result, such modification shall be made to the operation of the adjustment provisions as may be determined in good faith by an Independent Financial Adviser to be in its opinion appropriate to give the intended result;
- (2) such modification shall be made to the operation of the CCNs as may be determined in good faith by an Independent Financial Adviser to be in its opinion appropriate (i) to ensure that an adjustment to the Conversion Price or the economic effect thereof shall not be taken into account more than once and (ii) to ensure that the economic effect of a Dividend is not taken into account more than once;
- (3) for the avoidance of doubt, the issue of Ordinary Shares upon a Conversion or upon any conversion or exchange in respect of any Other Securities or the exercise of any other options, warrants or other rights shall not result in an adjustment to the Conversion Price; and
- (4) at any time when the Ordinary Shares are not admitted to trading on a Recognised Stock Exchange, the Conversion Price shall be adjusted as provided above save that for the purposes thereof the Current Market Price, the VWAP of an Ordinary Share and the date upon which any adjustment becomes effective shall be determined in good faith by an Independent Financial Adviser in such manner as it considers appropriate to ensure that an adjustment to the Conversion Price is made which gives the intended same result as if the Ordinary Shares were so admitted to trading.

Notice of any adjustments to the Conversion Price pursuant to this Condition 4(e)(v) shall be given by the Issuer in accordance with Condition 13 to Holders promptly after the determination thereof.

The Conversion Price shall not in any event be reduced to below the prevailing nominal value of the Ordinary Shares at the effective date of such adjustment. The Issuer shall not take any action, and procure that no action is taken, that would otherwise result in an adjustment to the Conversion Price to an amount below such nominal value.

(f) Events not Giving Rise to Adjustments

Notwithstanding the provisions of Condition 4(e), no adjustment to the Conversion Price will be made:

- (i) if, in connection with any issue or distribution of new Ordinary Shares or Other Securities, the pre-emptive right in respect thereof has been validly excluded by a non-routine resolution of the general meeting of Shareholders. For the purpose of these Conditions, the annual disapplication of pre-emption rights conferred by way of special resolution proposed at each annual general meeting of the Issuer shall not constitute a non-routine resolution; or
- (ii) as a result of any public issue of bonds convertible into Ordinary Shares or bonds with options to subscribe for Ordinary Shares, such issue being in connection with a conditional increase of the share capital of the Issuer, irrespective of whether in respect of such issue the advance

subscription rights to acquire such bonds have been excluded or not, unless advance subscription rights have been granted and are traded on the Primary Stock Exchange; or

- (iii) if, as a result of any Non-Cash Dividend by the Issuer, the Issuer sells any share, right, warrant or other security representing the same (an “Interest”) in any of its subsidiaries to holders of the Ordinary Shares at fair value, and for this purpose:
 - (1) where such Interest is listed on, traded on, or dealt in any stock exchange, the fair value of such Interest shall be at least 95 per cent. of the average of the last paid prices therefor on such stock exchange (or, if more than one, the principal such stock exchange) on each of the ten dealing days commencing on the twentieth dealing day before the day on which the Issuer officially announces the terms and conditions for such sale, as determined by an Independent Financial Adviser; and
 - (2) where such Interest is not so listed, traded or dealt in, the fair value of such Interest shall be at least 95 per cent. of the Fair Market Value thereof; or
- (iv) as a result of the payment or satisfaction of any dividend or distribution on any class of preference shares in issue as at the Issue Date in the capital of the Issuer or any Subsidiary which is paid or made in cash, Ordinary Shares or otherwise; or
- (v) if an increase in the Conversion Price would result from such adjustment, except in case of an exchange of the Ordinary Shares for Other Securities or a consolidation of Ordinary Shares.

(g) Decision of an Independent Financial Adviser

- (i) If any doubt shall arise as to whether an adjustment falls to be made to the Conversion Price or as to the appropriate adjustment to the Conversion Price, and following consultation between the Issuer and an Independent Financial Adviser, a written opinion of such Independent Financial Adviser in respect thereof shall be conclusive and binding on the Issuer and the Holders, save in the case of manifest error.
- (ii) If the Independent Financial Adviser does not at any time for any reason make any determination or calculate any adjustment in the circumstances provided for in this Condition 4 then the Holders shall, at the expense of the Issuer, be entitled to appoint an agent to do so, and such determination or calculation shall be deemed to have been made by the Independent Financial Adviser. In doing so, the Holders’ agent shall apply the foregoing provisions of Condition 4, with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and in all other respects it shall do so in such manner as it shall deem fair and reasonable in all the circumstances.

(h) Share Option Schemes

No adjustment will be made to the Conversion Price if Ordinary Shares or Other Securities (including pre-emptive rights, options or warrants in relation to Ordinary Shares or Other Securities) are issued, offered or granted to, or for the benefit of, directors or employees, or former directors or employees, of the Issuer or any of its Subsidiaries or any associated company or to trustees to be held for the benefit of any such person in any such case pursuant to any employee share or option scheme which, if required, has been approved by Shareholders.

(i) Rounding Down

On any adjustment, the resultant Conversion Price, if a number that is of more decimal places than the initial Conversion Price, shall be rounded to such decimal place. No adjustment shall be made to the

Conversion Price where such adjustment (rounded down if applicable) would be less than one per cent. of the Conversion Price then in effect. Any adjustment not required to be made, and/or any amount by which the Conversion Price has been rounded down, shall be carried forward and taken into account in any subsequent adjustment, and such subsequent adjustment shall be made on the basis that the adjustment not required to be made had been made at the relevant time and/or, as the case may be, that the relevant rounding down had not been made.

(j) *No other Conversion Events*

Other than a Conversion in accordance with this Condition 4, the CCNs are not subject to any other conversion event. In particular, the CCNs are not convertible into Ordinary Shares at the option of the Holders.

(k) *Procedure for Settlement and Delivery of Ordinary Shares on Conversion*

Ordinary Shares to be issued upon a Conversion in respect of the CCNs shall be allotted, issued and delivered subject to and as provided in these Conditions and in the Agency Deed.

(l) *Fractions*

Fractions of Ordinary Shares will not be issued or delivered pursuant to the Conditions upon a Conversion and no cash payment will be made in lieu thereof.

(m) *Delivery of Ordinary Shares*

- (i) The Issuer shall, on or prior to the Conversion Settlement Date, allot, issue and deliver to the Holders such number of Ordinary Shares as is required to satisfy in full the Issuer's obligation to deliver Ordinary Shares in respect of the Conversion of the aggregate amount of CCNs as at the Conversion Date. Receipt by the Holders of such Ordinary Shares and Accrued Conversion Interest (if any) shall be a good and complete discharge of the Issuer's obligations in respect of the CCNs.
- (ii) In order to obtain delivery of the relevant Ordinary Shares upon a Conversion, the relevant Holder must deliver the relevant Certificates representing the CCNs held by it to the specified office of the Registrar prior to the Conversion Settlement Date.
- (iii) The Issuer shall procure that Ordinary Shares to be created, issued and delivered following a Conversion Event will be delivered to the Holders in uncertificated form through CREST, unless at the relevant time the Ordinary Shares are not a participating security in CREST or the relevant holder elects to receive the Ordinary Shares in certificated registered form. Where the Ordinary Shares are to be delivered through CREST, they will be delivered to an account specified by the relevant Holder on or prior to the Conversion Settlement Date. Where the Ordinary Shares are to be delivered in certificated form, a certificate in respect thereof will be dispatched by mail free of charge (but uninsured and at the risk of the recipient) to the relevant Holder at such address as is specified by the Holder on or prior to the Conversion Settlement Date.

(n) *Taxes and Duties*

- (i) A Holder must pay any taxes and capital, stamp, issue and registration and transfer taxes or duties arising on Conversion (other than any taxes and capital, stamp, issue and registration and transfer taxes or other duties payable in Ireland in respect of the issue and delivery of the Ordinary Shares delivered pursuant to these Conditions which shall be paid by the Issuer) and

such Holder must pay all, if any, taxes arising by reference to any disposal or deemed disposal of a CCN or interest therein.

- (ii) If the Issuer shall fail to pay any taxes or capital, stamp, issue, registration and transfer taxes or other duties payable in Ireland for which it is responsible as provided in Condition 4(n)(i) above, any Holder shall be entitled (but shall not be obliged) to tender and pay the same and the Issuer, as a separate and independent stipulation, covenants to reimburse and indemnify on an after tax basis such Holder in respect of any payment thereof and any penalties payable in respect thereof.

(o) Ordinary Shares

The Ordinary Shares issued and delivered on Conversion will be fully paid and non-assessable, free from any Encumbrance and will in all respects rank pari passu with the fully paid Ordinary Shares in issue on the Conversion Date except in any such case for any right excluded by mandatory provisions of applicable law, and except that the Ordinary Shares so issued or delivered will not rank for (or, as the case may be, the relevant Holder shall not be entitled to receive) any rights, distributions or payments the record date or other due date for the establishment of entitlement for which falls prior to the Conversion Date.

5 Covenants

For so long as any CCN remains outstanding, the Issuer shall (in each case save with the prior written approval of the Holders):

- (a) not make any issue, grant, reorganisation, capitalisation or distribution or take or omit to take any other action if the effect thereof would be (or is reasonably foreseeable to be) that an Ordinary Share cannot be legally issued as fully paid and free from any Encumbrance on the Conversion of each CCN;
- (b) (other than in connection with a Reorganisation) not issue or pay up any Ordinary Shares or Other Securities, in either case by way of capitalisation of profits or reserves, other than:
 - (i) by the issue of fully paid Ordinary Shares or Other Securities to (A) Shareholders and (B) other holders of preference shares in the capital of the Issuer in issue as at the Issue Date, which, by their terms, entitle the holders thereof to receive Ordinary Shares or Other Securities on a capitalisation of profits or reserves (including in lieu of the whole or part of a dividend in cash thereon); or
 - (ii) by the issue of Ordinary Shares paid up in full (in accordance with applicable law) and issued wholly, ignoring fractional entitlements, in lieu of the whole or part of a Dividend in cash; or
 - (iii) by the issue of fully paid Other Securities to the holders of Ordinary Shares or Other Securities which, by their terms, entitle the holders thereof to receive Other Securities; or
 - (iv) by the issue of Ordinary Shares or Other Securities to, or for the benefit of, any employee or former employee, director or executive holding or formerly holding executive office of Issuer or any of its Subsidiaries or any associated company or to trustees or nominees to be held for the benefit of any such person, in any such case pursuant to an employee, director or executive share or option scheme whether for all employees, directors, or executives or any one or more of them,

unless, in any such case, the same constitutes a Dividend or otherwise gives rise (or would, but for the provisions of Condition 4(i) relating to roundings and minimum adjustments or the carry forward of adjustments, give rise) to an adjustment to the Conversion Price and unless, if the Conversion Price

would otherwise be reduced to below the prevailing nominal value of the Ordinary Shares at the effective date of such adjustment, gives rise to an adjustment to the nominal value of the Ordinary Shares to reflect the Conversion Price so reduced;

- (c) not modify the rights attaching to the Ordinary Shares with respect to voting, dividends or liquidation but so that nothing in this Condition 5(c) shall prevent:
 - (i) any consolidation, reclassification or subdivision of the Ordinary Shares; or
 - (ii) any modification of such rights which is not materially prejudicial to the interests of the Holders as determined in good faith by an Independent Financial Adviser;
- (d) procure that no Ordinary Shares or Other Securities issued without rights to convert into, or exchange or subscribe for, Ordinary Shares shall subsequently be granted such rights and that at no time shall there be in issue Ordinary Shares of differing nominal values unless the same gives rise (or would, but for the provisions of Condition 4(i) relating to roundings and minimum adjustments or the carry forward of adjustments, give rise) to an adjustment to the Conversion Price and that at no time shall there be in issue Ordinary Shares or Other Securities of differing nominal values, save where such Ordinary Shares or Other Securities have the same economic rights;
- (e) not reduce its issued ordinary share capital, share premium account, capital redemption reserve, or any uncalled liability in respect thereof, or any non-distributable reserves, except where the reduction is permitted by applicable law and results in (or would, but for the provisions of Condition 4(i) relating to roundings or the carry forward of adjustments, result in) an adjustment to the Conversion Price or is otherwise taken into account for the purposes of determining whether or not such an adjustment should be made provided that, this Condition 5(e) shall not operate to restrict the Issuer from (i) reducing its preference share capital, capital redemption reserve and share premium amounts in respect of its share capital (including, for the avoidance of doubt, the proposed reduction of capital redemption reserve and share premium as set out in a circular and notice of extraordinary general meeting of the Issuer dated 1 July 2011) or (ii) reducing the nominal value of the Ordinary Shares, in each case in accordance with applicable law;
- (f) issue, allot and/or deliver Ordinary Shares upon Conversion subject to and as provided in Condition 4;
- (g) use all reasonable endeavours to ensure that any Ordinary Shares issued upon a Conversion Event will, as soon as is practicable, be admitted to the Official List of the Irish Stock Exchange and trading on the ESM or will be listed, quoted or dealt in, as soon as is practicable, on any other stock exchange or securities market on which the Ordinary Shares are then listed or quoted or dealt in;
- (h) use all reasonable endeavours to ensure that its issued and outstanding Ordinary Shares continue to be admitted to the Official List of the Irish Stock Exchange and trading on the ESM, or listed, admitted to trading, quoted or dealt in on such other stock exchange or securities market on which the Ordinary Shares are currently listed, admitted to trading or quoted or dealt in;
- (i) in the event of a Reorganisation, take (or shall procure that there is taken) all necessary action to ensure that, immediately after completion of the relevant proceedings, such amendments are made to these Conditions as are necessary to ensure that the CCNs may be converted into or exchanged for ordinary shares or units or the equivalent in Newco mutatis mutandis in accordance with and subject to these Conditions and the ordinary shares or units or the equivalent of Newco are listed and admitted to trading on a Recognised Stock Exchange;
- (j) if an offer is made to all (or a majority) of the holders of the Ordinary Shares other than the offeror and/or any associates of the offeror to acquire all or a majority of the issued ordinary share capital of

the Issuer, or if a scheme (other than a Reorganisation) or merger is proposed with regard to such acquisition or merger with the undertaking of the Issuer, give notice in writing of such offer or scheme or merger to the Holders, in their capacity as the Holders, as soon as practicable upon becoming aware of such offer;

- (k) give notice in writing to the Holders, in their capacity as the Holders, if an offer is made to all (or a majority) of the holders of the Ordinary Shares other than the offeror and/or any associate of the offeror to acquire all or a majority of the issued ordinary share capital of the Issuer or if any person proposes a scheme or merger with regard to such acquisition or merger with the undertaking of the Issuer and such offer or scheme or merger having become or been declared unconditional in all respects, the right to cast more than 50 per cent. of the votes which may ordinarily be cast on a poll at a general meeting of the Issuer has or will become unconditionally vested in the offeror and/or an associate. Such notice shall specify all information relevant to Holders concerning such offer or scheme or merger;
- (l) notwithstanding that no voting rights shall attach to the CCNs in respect of the Ordinary Shares, provide to the Holders, in their capacity as Holders, notice of every general meeting of the Shareholders of the Issuer and a copy of every circular or like document sent out by the Issuer to the Shareholders;
- (m) for so long as the CCNs are listed and freely transferable, from time to time on request and at its own expense, do and execute or procure to be done and executed all necessary acts, deeds, documents and things in a form satisfactory to a Holder that such Holder reasonably considers necessary to effect and/or facilitate the transfer of any of the CCNs and their registration in the name of the transferee in the Register;
- (n) where the provisions of Condition 4 require or provide for a determination by an Independent Financial Adviser, use all reasonable endeavours promptly to appoint such person for such purpose;
- (o) at all times keep available for issue, free from pre-emptive or other preferential rights, a sufficient number of Ordinary Shares to enable the conversion of the CCNs, and any other rights of subscription and exchange for Ordinary Shares arising pursuant to the CCNs, to be satisfied in full;
- (p) not take any action, and procure that no action is taken, that would result in an adjustment to the Conversion Price to below the prevailing nominal value of the Ordinary Shares at the effective date of such adjustment;
- (q) provide to the Competent Authority the Core Tier 1 Ratio and CET1 Ratio, as applicable, on an ad hoc or ongoing basis as requested by the Competent Authority and the Issuer will publish the Core Tier 1 Ratio and CET1 Ratio, as applicable, in respect of any Semi-Annual Reporting Period or as otherwise required to be publically disclosed by the Issuer;
- (r) obtain prior written approval from the Competent Authority for any distributions proposed by the Issuer in respect of any profit generated or other fair value movements as a consequence of the accounting treatment of the CCNs in the Issuer's shareholder funds;
- (s) use all reasonable endeavours to obtain and maintain a listing of the CCNs on the Irish Stock Exchange, or failing that, any other Recognised Stock Exchange; and
- (t) immediately give notice in writing to the Holders of the occurrence of any Conversion Event or Takeover Event or any Event of Default or any matter it concludes is likely to give rise to a Conversion Event or Takeover Event or Event of Default immediately upon becoming aware thereof and without waiting for the Holders to take any further action.

6 Redemption and Cancellation

(a) *Redemption at Maturity*

Unless previously converted as provided in these Conditions, each CCN will only be redeemed at its principal amount, together with accrued interest, on the Maturity Date.

(b) *No other redemption, purchase, or buy back*

None of the Issuer nor any of its Subsidiaries nor any other Group Company shall purchase, redeem, buy back or otherwise acquire any of the CCNs prior to the Maturity Date.

(c) *Cancellation*

All CCNs redeemed by the Issuer pursuant to this Condition 6 will forthwith be cancelled.

7 Payments

(a) *Payments in respect of CCNs*

- (i) Payments of principal to be made to Holders in respect of CCNs and payments of accrued interest payable on a redemption of CCNs (other than on an Interest Payment Date) and payment of any Accrued Conversion Interest that is to be paid in accordance with this Condition 7 shall, in each case, be made against presentation and surrender of the relevant Certificates at the specified office of any of the CCN Agents or of the Registrar.
- (ii) Payments of interest to be made to Holders in respect of CCNs due on an Interest Payment Date shall be paid to the person shown on the Register at the close of business on the fifteenth day before the Relevant Date for payment thereof (the “**Record Date**”).
- (iii) Payments of any other amounts in respect of CCNs other than as referred to in (i) and (ii) will be made as provided in these Conditions.

(b) *Payments subject to Fiscal Laws*

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

(c) *Method of Payment*

Payments of principal and interest will be made by credit or transfer in euro to the account specified in the Register.

(d) *Non-Business Days*

If any date for payment in respect of any CCNs 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.

8 Taxation

All payments of principal, premium (if any) and/or interest to the Holders by or on behalf of the Issuer in respect of the CCNs shall be made without withholding or deduction for or on account of any present or future tax, duty, assessment or governmental charge of whatsoever nature imposed, levied, collected, withheld or assessed by or on behalf of Ireland or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In that event, the Issuer shall pay such additional amounts

(“**Additional Amounts**”) as will result (after such withholding or deduction) in receipt by the Holders of the sums which would have been receivable (in the absence of such withholding or deduction) from it in respect of their CCNs; except that no such Additional Amounts shall be payable with respect to any CCN:

- (a) to, or to a third party on behalf of, a Holder if such withholding or deduction may be avoided by complying with any statutory requirement or by making a declaration of non-residence or other similar claim for exemption to any authority of or in Ireland, unless such Holder proves that he is not entitled so to comply or to make such declaration or claim; or
- (b) to, or to a third party on behalf of, a Holder that is a partnership, or a holder that is not the sole beneficial owner of the CCN, or which holds the CCN in a fiduciary capacity, to the extent that any of the members of the partnership, the beneficial owner or the settlor or beneficiary with respect to the fiduciary would not have been entitled to the payment of an additional amount had each of the members of the partnership, the beneficial owner, settlor or beneficiary (as the case may be) received directly his beneficial or distributive share of the payment; or
- (c) where presentation and surrender is required pursuant to these Conditions 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 at the expiry of such period of 30 days; or
- (d) 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 European Union Directive implementing the conclusions of the ECOFIN Council Meeting of 26-27 November 2000, on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive.

9 Variation following Tax Event

(a) Tax Event

If a Tax Event has occurred and is continuing, the Issuer may, subject to Condition 9(b), at any time upon not less than 30 nor more than 60 days’ notice to the Holders in accordance with Condition 13, without any requirement for the consent or approval of the Holders, vary the terms of the CCNs on the condition that they remain or, as appropriate, become, Qualifying CCNs. In connection with any variation in accordance with this Condition 9, the Issuer shall comply with the rules of any stock exchange on which the CCNs are for the time being listed or admitted to trading.

(b) Conditions to Variation

Any variation of the terms of the CCNs in accordance with this Condition 9 shall be solely for the purposes of curing a Tax Event and shall be subject to (i) the provisions of Condition 14(b) and (ii) for so long as the Initial Holder is a holder of 100 per cent. of the CCNs, such variation being approved in writing by the Initial Holder.

10 Replacement of Certificates

If a Certificate is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant authority regulations, at the specified office of the Registrar, or such other CCN Agent as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Holders, 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 Certificate is subsequently presented for payment there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Certificates) and otherwise

as the Issuer and/or CCN Agent may reasonably require. Mutilated or defaced CCNs or Certificates must be surrendered before replacements will be issued.

11 Further Issues

The Issuer may, from time to time, without the consent of the Holders, create and issue further securities either having the same terms and conditions as the CCNs in all respects (or in all respects except for the first payment of interest on them) and so that such further issue shall be consolidated and form a single series with the outstanding securities of any series (including the CCNs) or upon such terms as the Issuer may determine at the time of their issue. References in these Conditions to the CCNs include (unless the context requires otherwise) any other securities issued pursuant to these Conditions and forming a single series with the CCNs.

12 Event of Default

If, for so long as the CCNs have not converted, (a) there is default for more than 7 days in the payment of any principal or for more than 14 days in the payment of any interest in respect of the CCNs or any of them when and as the same are due for payment or (b) if proceedings have been instituted for the winding up or liquidation of the Issuer (each an “**Event of Default**”), the Holders of 25 per cent. of the aggregate principal amount of the CCNs for the time being outstanding may, in their absolute discretion, institute proceedings for the winding-up or liquidation of the Issuer (in the case of (a) above) and each Holder may prove and/or claim in the winding up or liquidation of the Issuer for such payment but may not take any other action with respect to such default.

13 Notices

A notice may be given by the Issuer to any Holder of CCNs by sending it by post to such Holder at its address in the Register. Service of such notice shall be deemed to have been effected by properly addressing, prepaying and posting a letter by post containing the notice and shall be deemed to have been given on the second Business Day after the date of posting.

A notice may be given by the Issuer to joint holders of the CCNs by giving notice to the joint holder first named in the Register.

A notice may be given by the Issuer, to the extent permitted by the Irish Stock Exchange (if and for so long as the CCNs are listed on the Irish Stock Exchange) and by law, by electronic communication if so requested or authorised by the Holders, the Holders having notified the Issuer of an e-mail address to which the Issuer may send electronic communications and having agreed to receive notices and other documents from the Issuer by electronic communication. If a Holder notifies the Issuer of an e-mail address, the Issuer may send the Holder the notice or other document by publishing the notice or other document on a website and notifying the Holder by e-mail that the notice or other document has been published on the website. The Issuer must also specify the address of the website on which it has been published, the place on the website where the notice may be accessed and how it may be accessed and, where the notice in question is a notice of a meeting, the notice must continue to be published on that website throughout the period beginning with the date of that notification and ending on the conclusion of that meeting, save that if the notice is published for part only of that period the failure to publish the notice throughout that period shall not invalidate the proceedings of a meeting where such failure is wholly attributable to circumstances which it would not be reasonable to have expected the Issuer to prevent or avoid.

In addition, if and for so long as the CCNs are listed on the Irish Stock Exchange or any other Recognised Stock Exchange, notices shall be given in accordance with any requirement of such exchange.

Any notice or notification (however expressed) to be given by any Holder to the Issuer shall be effected by properly addressing, prepaying and posting a letter by registered post containing the notice and shall be deemed to have been given on the second Business Day after the date of posting.

14 Meetings of Holders, Modification and Consent

(a) Meetings of Holders

The Agency Deed contains provisions for convening meetings of Holders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any of these Conditions or any provisions of the Agency Deed. Such a meeting may be convened by Holders holding not less than 10 per cent. in aggregate principal amount of the CCNs for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution shall be one or more persons holding or representing a clear majority in aggregate principal amount of the CCNs for the time being outstanding, or at any adjourned meeting one or more persons being or representing Holders whatever the aggregate principal amount of the CCNs held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to amend the provisions for redemption of the CCNs or any date for payment of interest on the CCNs, (ii) to reduce or cancel the principal amount of the CCNs, (iii) to reduce the rate of interest in respect of the CCNs or to vary the method or basis of calculating the rate or amount of interest or the basis for calculating the amounts of any interest in respect of the CCNs, (iv) to vary any method of, or basis for, calculating the amounts payable on redemption of the CCNs, (v) to vary the currency of payment or denomination of the CCNs, (vi) to modify the provisions concerning the quorum required at any meeting of Holders or the majority required to pass the Extraordinary Resolution, or (vii) to amend or modify the provisions relating to the Conversion Event, in which case the necessary quorum shall be such person or persons holding or representing not less than 75 per cent., or at any adjourned meeting not less than 25 per cent., in aggregate principal amount of the CCNs for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Holders (whether or not they were present at the meeting at which such resolution was passed).

A resolution in writing signed by or on behalf of the Holder or Holders of not less than 75 per cent. in aggregate principal amount of the CCNs outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Holders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Holders.

(b) Modification

No modification to these Conditions or any other provisions of the Agency Deed (whether pursuant to this Condition 14 or otherwise) shall become effective unless the Issuer shall have received written approval from the Competent Authority (provided that, at the relevant time, there is a requirement to obtain such approval).

The Issuer may, in accordance with Condition 9, without the consent or approval of the Holders, make such modifications or variations to the terms of the CCNs and Agency Deed as it considers necessary or desirable to give effect to the provisions of Condition 9, provided that such modifications or variations are not materially prejudicial to the interests of the Holders, as determined in good faith by an Independent Financial Adviser, and provided that such modifications or variations do not modify or vary any of the terms of the CCNs as contemplated by Condition 14(a)(i) to (vii) above.

(c) Consent

Where these Conditions require the prior consent or approval of the Holders, such consent or approval shall for all purposes be deemed to be valid and effective if in writing signed by or on behalf of the Holder or Holders of in excess of 50.00 per cent. in aggregate principal amount of the CCNs outstanding or if given by way of an Extraordinary Resolution.

15 Transfers of CCNs

(a) *Transfer of CCNs*

One or more CCNs may be transferred upon the surrender (at the specified office of the Registrar) of the Certificate representing such CCNs to be transferred, together with the form of transfer endorsed on such Certificate (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), duly completed and executed and any other evidence as the Registrar may reasonably require. A new Certificate shall be issued to the transferee in respect of the CCNs the subject of the relevant transfer and, in the case of a transfer of part only of a holding of CCNs represented by one Certificate, a new Certificate in respect of the balance of the CCNs not transferred shall be issued to the transferor. In the case of a transfer of CCNs to a person who is already a Holder, a new Certificate representing the enlarged holding may be issued but only against surrender of the Certificate representing the existing holding of such person. All transfers of CCNs and entries on the Register will be made subject to the detailed regulations concerning transfers of CCNs scheduled to the Agency Deed. The regulations may be changed by the Issuer, with the prior written approval of the Registrar. A copy of the current regulations will be made available by the Registrar to any Holder upon request.

(b) *Delivery of New Certificates*

Each new Certificate to be issued pursuant to Condition 15(a) shall be available for delivery within three Business Days of receipt of the form of transfer and surrender of the relevant Certificate. Delivery of new Certificate(s) shall be made at the specified office of the Registrar to whom delivery and surrender of such form of transfer and Certificate or, as the case may be, surrender of such Certificate, shall have been made or, at the option of the relevant Holder and as specified in the relevant form of transfer or otherwise in writing, be mailed by uninsured post at the risk of the Holder entitled to the new Certificate to such address as may be so specified, unless such Holder requests otherwise and pays in advance to the relevant Registrar the costs of such other method of delivery and/or such insurance as it may specify.

(c) *Transfers Free of Charge*

Transfers of CCNs and the issue of new Certificates on transfer shall be effected without charge by or on behalf of the Issuer or the Registrar, but upon payment by the transferee of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity as the Registrar may require).

16 Definitions and Interpretation

16.1 The following capitalised terms shall have the following meanings:

“**Accrued Conversion Interest**” means, upon Conversion of the CCNs, interest accrued on the CCNs, if any, from (and including) the Interest Payment Date immediately preceding the Conversion Date (or, if none, from the Issue Date) to (but excluding) the Conversion Date;

“**Acquirer**” means the person which, following a Takeover Event, controls the Issuer;

“**Additional Amounts**” has the meaning given to it in Condition 8;

“**Approved Entity**” means a body corporate (other than a State Entity) which: (i) for so long as the Initial Holder is a holder of 100 per cent. of the CCNs is (a) approved in writing by the Initial Holder and (b) on the occurrence of the Takeover Event, has in issue Approved Entity Shares; or (ii) where the Initial Holder is not the sole holder of 100 per cent. of the CCNs, on the occurrence of the Takeover Event, has in issue Approved Entity Shares. On and after the date of a Takeover Event, references herein to “**Ordinary Shares**” shall be read as references to “**Approved Entity Shares**”;

“**Approved Entity Shares**” means ordinary shares in the capital of the Approved Entity which constitute equity share capital or the equivalent which, unless otherwise agreed in writing by the Holders at such time, is listed and admitted to trading on a Recognised Stock Exchange. In relation to any Conversion in respect of which the Conversion Date falls on or after the Takeover Event Date, where the Takeover Event is a Qualifying Takeover Event, references herein to “**Ordinary Shares**” shall be deemed to be references to “**Approved Entity Shares**”;

“**Business Day**” means a day on which the TARGET system is operating;

“**Capital Deficiency Event**” means the occurrence of (i) the Issuer giving notice to the Holders that the relevant Capital Ratio is below the Trigger Ratio, or (ii) the Competent Authority notifying the Issuer that it has determined, in its absolute discretion, that the Group’s financial and solvency condition is deteriorating in such a way that the relevant Capital Ratio is likely to be below the Trigger Ratio in the short term;

“**Capital Distribution**” means:

- (i) any Dividend which is expressed by the Issuer or declared by the board of directors of the Issuer to be a capital distribution, extraordinary dividend, extraordinary distribution, special dividend or return of value to Shareholders or any analogous or similar term, in which case the Capital Distribution for the purpose of these Conditions shall be the Fair Market Value of such Dividend; or
- (ii) any Cash Dividend (the “**Relevant Dividend**”) paid or made in respect of a fiscal year of the Issuer (the “**Relevant Fiscal Year**”) if the sum of:
 - (a) the Fair Market Value of the Relevant Dividend per Ordinary Share; and
 - (b) the aggregate of the Fair Market Value per Ordinary Share of any other Cash Dividend or Cash Dividends per Ordinary Share paid or made in respect of the Relevant Fiscal Year (disregarding for such purposes any amount previously determined to be a Capital Distribution in respect of the Relevant Fiscal Year),

such sum being the “**Current Year’s Dividend**”, exceeds the Reference Amount, and in such case the amount of the relevant Capital Distribution shall be the lesser of (i) the amount by which the Current Year’s Dividend exceeds the Reference Amount and (ii) the Fair Market Value of the Relevant Dividend;

“**Capital Ratio**” means, prior to the CRD IV Implementation Date, the Core Tier 1 Ratio and, on or after the CRD IV Implementation Date, the CET1 Ratio;

“**Cash Dividend**” means (i) any Dividend which is to be paid or made in cash (in whatever currency) and (ii) any Dividend determined to be a Cash Dividend pursuant to paragraph (i) of the definition of Dividend;

“**CET1 Amount**” means, at any time, as calculated by the Issuer on a consolidated basis and expressed in the Group’s reporting currency, the sum of all amounts (whether positive or negative) of Common

Equity Tier 1 Capital of the Group as at such time. For the avoidance of doubt, CET1 Amount includes any capital instruments injected at any time by the Initial Holder or any other State Entity to strengthen the capital base of the Group and deemed by the Competent Authority to be eligible to count previously towards Core Tier 1 Amount;

“**CET1 Ratio**” means, in respect of any Semi-Annual Reporting Period, the ratio (expressed as a percentage) of the CET1 Amount divided by the RWA Amount, as at the date of the financial statements contained in the relevant Semi-Annual Financial Report, as calculated by the Issuer and appearing in its relevant Semi-Annual Financial Report;

“**Common Equity Tier 1 Capital**” means all items that constitute common equity tier 1 capital, or deductions from and any other adjustments to common equity tier 1 capital, in each case within the meaning of these terms or equivalent in the CRD IV and as implemented, where necessary, in Ireland through legislation. For the avoidance of doubt the Common Equity Tier 1 Capital will be calculated taking into account the phase-in of deductions and other adjustments pursuant to CRD IV;

“**Competent Authority**” means the Central Bank of Ireland or any subsequent entity acting in that capacity as the lead regulator of the Issuer;

“**Conversion**” and “**converted**” shall have the meaning given to such terms in Condition 4(a);

“**Conversion Date**” means the date upon which a Conversion Event occurs;

“**Conversion Event**” means the occurrence of a Capital Deficiency Event or Non-Viability Event;

“**Conversion Notice**” has the meaning given to it in Condition 4(a)(ii);

“**Conversion Price**” means €0.01 (one cent), subject to adjustment thereafter in accordance with Condition 4(e);

“**Conversion Settlement Date**” shall have the meaning given to such terms in Condition 4(a)(i);

“**Core Tier 1 Amount**” means, if at any time, as calculated by the Issuer on a consolidated basis and expressed in the Group’s reporting currency, the aggregate amount of capital elements prescribed by the European Banking Authority in the “Supporting Document 2: Capital Definition Criteria” published on the 8 April 2011 and released to be the benchmark to be used in the 2011 EU-wide stress test for the purpose of computing the “Core Tier 1 including existing government support measures (CT1)” as at such time. For the avoidance of doubt, Core Tier 1 Amount includes any capital instruments injected at any time by the Initial Holder or any other State Entity to strengthen the capital base of the Group and deemed by the Competent Authority to be eligible to count towards Core Tier 1 Amount;

“**Core Tier 1 Ratio**” means, in respect of any Semi-Annual Reporting Period, the ratio (expressed as a percentage) of the Core Tier 1 Amount divided by the RWA Amount, as at the date of the financial statements contained in the Semi-Annual Reporting Period, as calculated by the Issuer and appearing in its relevant Semi-Annual Financial Report as “Core Tier 1 Ratio” or such other term having the same meaning;

“**CRD IV**” means a proposal for a Directive of the European Parliament and of the Council which will amend Directives 2006/48/EC and 2006/49/EC, principally in order to implement in the EU, the reforms agreed by the Basel Committee on Banking Supervision in December 2010 (Basel III), including reforms to the definition of capital and counterparty credit risk and the introduction of a leverage ratio and liquidity requirements;

“**CRD IV Implementation Date**” means the first date on which the Group is required to comply with the capital adequacy standards adopted and implemented in the European Union through the CRD IV as amended and as implemented, where necessary, in Ireland through legislation. Such date can be when the Minister chooses to transpose the requirements of CRD IV into Irish law or when the deadline for transposition has been reached, whichever is earlier;

“**Current Market Price**” means, in respect of an Ordinary Share at a particular date, the average of the daily VWAP of an Ordinary Share on each of the five consecutive dealing days ending on the dealing day immediately preceding such date; provided that, if the VWAP of an Ordinary Share is not available on one or more of the said five dealing days (disregarding for this purpose the proviso to the definition of VWAP), then the average of such VWAPs which are available in that five-dealing-day period shall be used (subject to there being a daily VWAP available for a minimum of two such days) and if only one, or no, such VWAP is available in the relevant period, the Current Market Price shall be determined in good faith by an Independent Financial Adviser;

“**dealing day**” means a day on which the Primary Stock Exchange or relevant stock exchange or securities market is open for business and on which Ordinary Shares or Other Securities may be dealt in (other than a day on which the Primary Stock Exchange or relevant stock exchange or securities market is scheduled to or does close prior to its regular weekday closing time);

“**Dividend**” means any dividend or distribution in respect of the Ordinary Shares to Shareholders whether of cash, assets or other property, and however described and whether payable out of share premium account, profits, retained earnings or any other capital or revenue reserve or account, and including a distribution or payment to holders upon or in connection with a reduction of capital, provided that:

- (i) where a Dividend in cash is announced which is to be, or may at the election of a Shareholder or Shareholders be, satisfied by the issue or delivery of Ordinary Shares or other property or assets, then the Dividend in question shall be treated as a Cash Dividend of an amount equal to the greater of (i) the Fair Market Value of such cash amount and (ii) the Current Market Price of such Ordinary Shares as at the first date on which the Ordinary Shares are traded ex-the relevant Dividend on the Primary Stock Exchange or, as the case may be, the Fair Market Value of such other property or assets as at the date of the first public announcement of such Dividend on the Primary Stock Exchange or, if later, the date on which the number of Ordinary Shares (or amount of such other property or assets, as the case may be) which may be issued or delivered is determined;
- (ii) any issue of Ordinary Shares falling within Condition 4(e)(i) or Condition 4(e)(ii) shall be disregarded;
- (iii) a purchase or redemption or buy back of share capital of the Issuer by or on behalf of the Issuer or any of its Subsidiaries shall not constitute a Dividend unless, in the case of a purchase or redemption or buy back of Ordinary Shares by or on behalf of the Issuer or any of its Subsidiaries, the VWAP per Ordinary Share (before expenses) on any one day (a “**Specified Share Day**”) in respect of such purchases or redemptions or buy backs exceeds by more than 5 per cent. the average of the daily VWAP of an Ordinary Share on the five dealing days immediately preceding the Specified Share Day or, where an announcement (excluding, for the avoidance of doubt for these purposes, any general authority for such purchases, redemptions or buy backs approved by a general meeting of Shareholders or any notice convening such a meeting of Shareholders) has been made of the intention to purchase, redeem or buy back Ordinary Shares at some future date at a specified price or where a tender offer is made, on the

five dealing days immediately preceding the date of such announcement or the date of first public announcement of such tender offer (and regardless of whether or not a price per Ordinary Share, a minimum price per Ordinary Share or a price range or formula for the determination thereof is or is not announced at such time), as the case may be, in which case such purchase, redemption or buy back shall be deemed to constitute a Dividend in euro in an amount equal to the amount by which the aggregate price paid (before expenses) in respect of such Ordinary Shares purchased, redeemed or bought back by the Issuer or, as the case may be, any of its Subsidiaries exceeds the product of (i) 105 per cent. of the daily VWAP of an Ordinary Share determined as aforesaid and (ii) the number of Ordinary Shares so purchased, redeemed or bought back;

- (iv) if the Issuer or any of its Subsidiaries shall purchase, redeem or buy back any depositary or other receipts or certificates representing Ordinary Shares, the provisions of paragraph (iii) above shall be applied in respect thereof in such manner and with such modifications (if any) as shall be determined in good faith by an Independent Financial Adviser; and
- (v) where a dividend or distribution is paid or made to Shareholders pursuant to any plan implemented by the Issuer for the purpose of enabling Shareholders to elect, or which may require Shareholders, to receive dividends or distributions in respect of the Ordinary Shares held by them from a person other than, or in addition to, the Issuer, such dividend or distribution shall for the purposes of Condition 4 be treated as a dividend or distribution made or paid to Shareholders by the Issuer, and the foregoing provisions of this definition and the provisions of Condition 4, including references to the Issuer paying or making a dividend, shall be construed accordingly, and any such determination shall be made on a gross basis and disregarding any withholding or deduction required to be made on account of tax, and disregarding any associated tax credit;

“**EEA Regulated Market**” means a market as defined by Article 4.1(14) of Directive 2004/39/EC of the European Parliament and of the Council on markets on financial instruments;

“**Effective Date**” means, in respect of Condition 4(e), the first date on which the ordinary shares are traded ex-the relevant Dividend on the Primary Stock Exchange or, in the case of a purchase, redemption or buy back of Ordinary Shares (or any depositary or other receipts or certificates representing Ordinary Shares), the date on which such purchase, redemption or buy back is made;

“**Encumbrance**” means any pledge, lien, option, security interest, claim, equity, trust, mortgage, charge, encumbrance or third party right or interest of any nature whatsoever and including for the avoidance of doubt any pre-emptive or similar right;

“**ESM**” means the Enterprise Securities Market operated by the Irish Stock Exchange;

“**Event of Default**” means any of the conditions, events or acts provided in Condition 12 to be Events of Default;

“**Exempt Reorganisation**” means a Reorganisation where, immediately after completion of the relevant proceedings, the ordinary shares or units or equivalent of Newco (or depositary or other receipts or certificates representing ordinary shares or units or equivalent of Newco) are (i) admitted to trading on the Primary Stock Exchange or (ii) admitted to listing on such other regulated, regularly operating, recognised stock exchange or securities market as the Issuer or Newco may determine;

“**Extraordinary Resolution**” has the meaning given to it in the Agency Deed;

“**Fair Market Value**” means, with respect to any property on any date, the fair market value of that property as determined by an Independent Financial Adviser in good faith, provided that:

- (i) the Fair Market Value of any cash amount shall be the amount of such cash;
- (ii) where Ordinary Shares or Other Securities are publicly traded on a stock exchange or securities market of adequate liquidity (as determined in good faith by an Independent Financial Adviser), the Fair Market Value of such Ordinary Shares or Other Securities shall equal the arithmetic mean of the daily VWAP of such Ordinary Shares or Other Securities (or the arithmetic mean of the daily closing prices should daily VWAP not be available), during the period of five dealing days on the relevant stock exchange or securities market commencing on such date (or, if later, the first such dealing day such Ordinary Shares or Other Securities) or such shorter period as such Ordinary Shares or Other Securities are publicly traded;
- (iii) where Ordinary Shares or Other Securities are not publicly traded on a stock exchange or securities market of adequate liquidity (as aforesaid), the Fair Market Value of such Ordinary Shares or Other Securities shall be determined in good faith by an Independent Financial Adviser, on the basis of a commonly accepted market valuation method and taking account of such factors as it considers appropriate, including the market price per Ordinary Share, the dividend yield of an Ordinary Share, the volatility of such market price, prevailing interest rates and the terms of such Ordinary Shares or Other Securities, including as to the expiry date and exercise price (if any) thereof; and
- (iv) the Fair Market Value shall be determined on a gross basis and disregarding any withholding or deduction required to be made on account of tax, and disregarding any associated tax credit;

“**Global Exchange Market**” or “**GEM**” means the Global Exchange Market of the Irish Stock Exchange;

“**Group**” means the Issuer and its subsidiaries (within the meaning of Section 155 of the Companies Act 1963) from time to time, subsidiary undertakings from time to time and any other entity in respect of which financial information is included from time to time in the consolidated annual accounts of the Issuer, and “**Group Company**” means any of them;

“**Holder**” means each person in whose name a CCN is registered for the time being in the Register (being the Initial Holder on the Issue Date) and “**Holders**” shall be construed accordingly;

“**Independent Financial Adviser**” means an independent financial institution of international repute appointed at its own expense by the Issuer and, for so long as the Initial Holder is a holder of 100 per cent. of the CCNs, which is approved in writing by the Initial Holder;

“**Initial Holder**” means the Minister, and subsequently if transferred, any other State Entity which may from time to time be the Holder of the CCNs;

“**Interest Commencement Date**” has the meaning given to such term in Condition 3(a);

“**Interest Payment Date**” has the meaning given to such term in Condition 3(a);

“**Interest Period**” has the meaning given to such term in Condition 3(a);

“**Issue Date**” means 27 July 2011 or such other date agreed between the Issuer and the Initial Holder;

“**Maturity Date**” means 28 July 2016;

“**Minister**” means the Minister for Finance of Ireland;

“**National Regulations**” means the prevailing national banking and capital adequacy laws directly applicable to the Group and prevailing capital adequacy regulations promulgated by the Competent Authority and applicable to the Group;

“**New Conversion Condition**” means, if by no later than seven Business Days following the occurrence of a Takeover Event where the Acquirer is an Approved Entity, the Issuer shall have entered into such agreements and arrangements, to the satisfaction of the Initial Holder for so long as the Initial Holder is a holder of 100 per cent. of the CCNs, with the Approved Entity to procure delivery of the Approved Entity Shares to the Holders upon the occurrence of a Conversion Event on terms mutatis mutandis identical to the provisions of Condition 4;

“**New Conversion Price**” means, in respect of any Conversion Date falling on or after the Takeover Event Date, where the Takeover Event is a Qualifying Takeover Event, the greater of;

- (i) the Reference Market Price of the Approved Entity Shares on the Business Day prior to the date of the Conversion Notice (and where references in the definition of “Reference Market Price” and “VWAP” to “Ordinary Shares” shall be construed as a reference to the Approved Entity Shares and in the definition of “dealing day”, reference to the “Primary Stock Exchange” shall be to the relevant Recognised Stock Exchange); and
- (ii) the New Floor Price on the Business Day prior to such Conversion Date.

“**New Floor Price**” means the amount determined in accordance with the following formula:

$$\text{NFP} = \text{EFP} \times \frac{\text{VWAPAES}}{\text{VWAPOS}}$$

where:

“**NFP**” is the New Floor Price;

“**EFP**” is the Conversion Price in effect on the dealing day immediately prior to the Takeover Event Date;

“**VWAPAES**” means the average of the VWAP of the Approved Entity Shares on each of the five dealing days ending on the dealing day prior to the closing date of the Takeover Event (and where references in the definition of “VWAP” to “Ordinary Shares” shall be construed as a reference to the Approved Entity Shares and in the definition of “dealing day”, references to the “Primary Stock Exchange” shall be to the relevant Recognised Stock Exchange); and

“**VWAPOS**” is the average of the VWAP of the Ordinary Shares on each of the five dealing days ending on the dealing day immediately prior to the Takeover Event Date;

“**Non-Cash Dividend**” means any Dividend which is not a Cash Dividend;

“**Non-Qualifying Takeover Event**” means a Takeover Event that is not a Qualifying Takeover Event;

“**Non-Viability Event**” means the earliest of the following:

- (i) the Competent Authority, in its absolute discretion, determining that Conversion of the CCNs, together with the conversion or write off of holders’ claims in respect of any Tier 1 Instruments or Tier 2 Instruments that, pursuant to their terms or by operation of law, are capable of being converted into equity or written off at that time, is, because customary measures to improve the Group’s capital adequacy are at the time inadequate or unfeasible, an essential requirement to prevent the Issuer from becoming insolvent, bankrupt or unable to pay its debts as they fall due,

or from ceasing to carry on its business, or from failing to meet its minimum capital adequacy requirements, as determined by the Competent Authority; or

- (ii) by virtue of customary measures to improve the Group's capital adequacy being at the time inadequate or unfeasible, the Issuer receiving an irrevocable commitment of extraordinary support from any State Entity (beyond customary transactions and arrangements in the ordinary course) that has, or imminently will have, the effect of improving the Group's capital adequacy and without which, in the determination of the Competent Authority, the Issuer would become insolvent, bankrupt, unable to pay its debts as they fall due, or cease carrying on its business or fail to meet its minimum capital adequacy requirements, as determined by the Competent Authority;

“Ordinary Shares” means ordinary shares of the Issuer of €0.01 (one cent) nominal value (Bloomberg Code: ALBK) which are admitted to the Official List of the Irish Stock Exchange and trading on its ESM. The Ordinary Shares deliverable upon Conversion of the CCNs will be shares newly issued from the authorised capital of the Issuer. Ordinary Shares will rank pari passu with all other ordinary registered shares of the Issuer for any and all distributions payable on them on or after the Conversion Date;

“Other Securities” means any equity securities including, without limitation, shares in the capital of the Issuer, or options, warrants or other rights to subscribe for or purchase or acquire shares in the capital of the Issuer other than the Ordinary Shares;

“person” includes any individual, company, corporation, firm, partnership, joint venture, undertaking, association, organisation, trust, state or agency of a state (in each case whether or not being a separate legal entity);

“Primary Stock Exchange” means the Irish Stock Exchange or, if at the relevant time the Ordinary Shares are not at that time listed and admitted to trading on the Irish Stock Exchange, the stock exchange or securities market on which the Ordinary Shares, if listed, are then listed, admitted to trading or quoted or accepted for dealing;

“Qualifying CCNs” means securities issued directly or indirectly by the Issuer that (i) have terms materially as favourable to Holders as the CCNs prior to the Tax Event occurring, as determined in good faith by an Independent Financial Adviser and (ii) contain terms which in terms of quality of capital are at least equivalent to the terms of the CCNs prior to the Tax Event occurring, as determined by the Competent Authority in its absolute discretion;

“Qualifying Takeover Event” means a Takeover Event where (i) the Acquirer is an Approved Entity and (ii) the New Conversion Condition is satisfied;

“Rate of Interest” has the meaning given to such term in Condition 3(c);

“Recognised Stock Exchange” means an EEA Regulated Market that is a recognised stock exchange for the purposes of Section 64 of the Taxes Consolidation Act 1997;

“Record Date” has the meaning given to it in Condition 7(a)(ii);

“Reference Amount” means 5 per cent. of the average of the VWAP of an Ordinary Share on each dealing day in the period of 5 dealing days ending on the dealing date immediately preceding the Effective Date provided that if on any such dealing day the VWAP shall have been based on a price cum-Dividend or cum-any other entitlement, the VWAP of an Ordinary Share on such dealing day shall be deemed to be an amount thereof reduced by an amount equal to the Fair Market Value of any

such Dividend or other entitlement per Ordinary Share as at the Effective Date relating to the relevant Dividend or entitlement;

“**Reference Market Price**” means, in respect of an Ordinary Share at a particular date, the average of the daily VWAP of an Ordinary Share on each of the 30 consecutive dealing days ending on the dealing day immediately preceding such date (the “**Reference Period**”):

- (i) provided that:
 - (A) if at any time during the Reference Period the VWAP shall have been based on a price ex-Dividend (or ex-any other entitlement) and during some other part of that Reference Period the VWAP shall have been based on a price cum-Dividend (or cum- any other entitlement), then:
 - (I) if the Ordinary Shares to be issued or delivered (if applicable) do not rank for the Dividend (or entitlement) in question, the VWAP on the date(s) on which the Ordinary Shares shall have been based on a price cum-Dividend (or cum- any other entitlement) shall, for the purposes of this definition, be deemed to be the amount thereof reduced by an amount equal to the fair market value (as determined by an Independent Financial Adviser) of any such Dividend or entitlement per Ordinary Share as at the date of first public announcement relating to such Dividend or entitlement; or
 - (II) if the Ordinary Shares to be issued or delivered (if applicable) do rank for the Dividend (or entitlement) in question, the VWAP on the date(s) on which the Ordinary Shares shall have been based on a price ex-Dividend (or ex-any other entitlement) shall, for the purposes of this definition, be deemed to be the amount thereof increased by an amount equal to the fair market value (as determined by an Independent Financial Adviser) of any such Dividend or entitlement per Ordinary Share as at the date of first public announcement relating to such Dividend or entitlement,
 - (B) if on any of the dealing days in the Reference Period the VWAP shall have been based on a price cum-Dividend (or cum- any other entitlement) in respect of a Dividend (or other entitlement) which has been declared or announced but the Ordinary Shares to be issued or delivered do not rank for that Dividend (or other entitlement), the VWAP on each of such dates shall, for the purposes of this definition, be deemed to be the amount thereof reduced by an amount equal to the fair market value (as determined by an Independent Financial Adviser) of any such Dividend or entitlement per Ordinary Share as at the date of first public announcement relating to such Dividend or entitlement, and
 - (C) if the VWAP of an Ordinary Share is not available on one or more of the dealing days in the Reference Period (disregarding for this purpose the proviso to the definition of VWAP), then the average of such VWAPs which are available in the Reference Period shall be used (subject to there being a daily VWAP available for a minimum of two such days) and if only one, or no, such VWAP is available in the Reference Period, the Reference Market Price shall be determined in good faith by an Independent Financial Adviser appointed in good faith by the Issuer, and

“**Relevant Date**” in respect of any payment on any CCN, means the date on which such payment 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 required to be paid is made or, in the case where presentation of

the relevant Certificate is required pursuant to the Conditions, (if earlier) the date seven days after that on which notice is duly given to the Holders that, upon further presentation of the Certificate being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation;

“Reorganisation” means proceedings which effect the interposition of a limited liability company (**“Newco”**) between the Shareholders immediately prior to such proceedings (the **“Existing Shareholders”**) and the Issuer; provided that:

- (i) only ordinary shares or units or equivalent of Newco (or depositary or other receipts or certificates representing ordinary shares or units or equivalent of Newco) are issued to Existing Shareholders;
- (ii) immediately after completion of such proceedings the only holders of ordinary shares, units or equivalent of Newco (or, as the case may be, the only holders of depositary or other receipts or certificates representing ordinary shares or units or equivalent of Newco) are Existing Shareholders holding in the same proportions as immediately prior to completion of such proceedings;
- (iii) immediately after completion of such proceedings, Newco is (or one or more wholly-owned Subsidiaries of Newco are) the only Shareholder;
- (iv) all Subsidiaries immediately prior to such proceedings (other than Newco, if Newco is then a Subsidiary of the Issuer) are Subsidiaries of the Issuer (or of Newco) immediately after completion of such proceedings; and
- (v) immediately after completion of such proceedings, the Issuer (or Newco) holds, directly or indirectly, the same percentage of the ordinary share capital and equity share capital of those Subsidiaries as was held by the Issuer immediately prior to such proceedings;

“RWA Amount” means, as at any date, the aggregate amount of all risk-weighted assets of the Issuer calculated on a consolidated basis pursuant to National Regulations, each applicable at such time, expressed in the Issuer’s reporting currency;

“Semi-Annual Financial Report” means the consolidated financial accounts and disclosures of the Group in respect of a calendar semi-annual reporting period contained in a customary financial report published by the Group;

“Semi-Annual Reporting Period” means six months ended 30 June and 31 December in each year or, if the Group amends its financial year end, such corresponding period as may be approved in writing by the Holders;

“Shareholders” means the holders of Ordinary Shares for the time being (and **“Shareholder”** shall be construed accordingly);

“State Entities” means the Minister or his nominee, the National Pensions Reserve Fund Commission, the National Treasury Management Agency, National Asset Management Agency, or any other entity or agency of or related to the Government of Ireland and **“State Entity”** shall be construed accordingly;

“Subsidiary” means a subsidiary within the meaning of Section 155 of the Companies Act 1963;

“Takeover Event” shall occur if any person or persons acting in concert acquires control of the Issuer (other than as a result of an Exempt Reorganisation). For the purposes of the definition of **“Takeover Event”**, **“acting in concert”** has the meaning given to such term in the Irish Takeover Panel Act 1997

and “**control**” means the acquisition or holding of legal or beneficial ownership of more than 95 per cent. of the issued Ordinary Shares of the Issuer and the Ordinary Shares are not admitted to trading, or are no longer admitted to trading, as the case may be, on any Recognised Stock Exchange, and “**controlled**” shall be construed accordingly;

“**Takeover Event Date**” means the date with effect from which the New Conversion Condition shall have been satisfied;

“**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;

“**Tax Event**” is deemed to have occurred if, as a result of a Tax Law Change, in making any payments on the CCNs, the Issuer has paid or will or would on the next payment date be required to pay Additional Amounts and the Issuer cannot avoid the foregoing by taking measures reasonably available to it;

“**Tax Law Change**” means a change in or proposed change in, or amendment or proposed amendment to, the laws or regulations of Ireland including any treaty to which Ireland is a party, or any change in any generally published application or interpretation of such laws, including a decision of any court or tribunal, or any change in the generally published application or interpretation of such laws by any relevant tax authority or any generally published pronouncement by any tax authority, which change, amendment or pronouncement (x) (subject to (y)) becomes, or would become, effective on or after the Issue Date, or (y) in the case of a change or proposed change in law, if such change is enacted (or, in the case of a proposed change, is expected to be enacted) by the Oireachtas or by Statutory Instrument, on or after the Issue Date;

“**Trigger Ratio**” means, at any time, 8.25 per cent.;

“**Tier 1 Capital**” means any or all items constituting at the relevant time tier 1 capital under National Regulations (including items eligible as Tier 1 Capital as a result of grandfathering under Directive 2009/111/EC or CRD IV);

“**Tier 1 Instruments**” means any and all shares, securities or other obligations issued by the Group, each of which shares, securities or other obligations qualify, or are issued in respect of a security that qualifies, as Tier 1 Capital of the Group (without regard to quantitative limits on such capital) on a consolidated or on an unconsolidated basis;

“**Tier 2 Capital**” means any or all items constituting at the relevant time tier 2 capital under National Regulations (including items eligible as Tier 2 Capital as a result of grandfathering under CRD IV);

“**Tier 2 Instruments**” means any and all securities or other obligations issued by the Group, each of which securities or other obligations qualify, or are issued in respect of a security that is eligible to qualify, as Tier 2 Capital of the Group on a consolidated or on an unconsolidated basis; and

“**VWAP**” means, in respect of an Ordinary Share or Other Security, as the case may be, for any dealing day, the order book volume-weighted average price of an Ordinary Share or Other Security, as the case may be, published by or derived (in the case of an Ordinary Share) from the relevant Bloomberg page or (in the case of an Other Security) from the principal stock exchange or securities market on which such Other Securities are then listed or quoted or dealt in, if any or, in any such case, such other source as shall be determined in good faith to be appropriate by an Independent Financial Adviser on such dealing day, provided that if on any such dealing day such price is not available or cannot otherwise be determined as provided above, the VWAP of an Ordinary Share or Other Security in respect of such

dealing day shall be the VWAP, determined as provided above, on the immediately preceding dealing day on which the same can be so determined or determined as an Independent Financial Adviser might otherwise determine in good faith to be appropriate.

- 16.2 References to any act or statute or any provision of any act or statute shall be deemed also to refer to any statutory modification or re-enactment thereof or any statutory instrument, order or regulation made thereunder or under such statutory modification or re-enactment.
- 16.3 Unless the context otherwise requires, references to (i) “**principal**” shall be deemed to include any premium payable in respect of the CCNs and all other amounts in the nature of principal payable pursuant to these Conditions or any amendment or supplement to it, (ii) “**interest**” shall be deemed to include any Accrued Conversion Interest and in any such case shall be deemed to include any Additional Amounts that may be payable under Condition 8 or any undertaking given in addition to or in substitution for it under the Agency Deed in respect of any such amount.
- 16.4 References to any issue or offer or grant to Shareholders or Existing Shareholders “as a class” or “by way of rights” shall be taken to be references to an issue or offer or grant to all or substantially all Shareholders or Existing Shareholders, as the case may be, other than Shareholders or Existing Shareholders, as the case may be, to whom, by reason of the laws of any territory or requirements of any recognised regulatory body or any other stock exchange or securities market in any territory or in connection with fractional entitlements, it is determined not to make such issue or offer or grant.
- 16.5 In making any calculation or determination of Current Market Price or VWAP, such adjustments (if any) shall be made as an Independent Financial Adviser determines in good faith to be appropriate to reflect any consolidation or sub-division of the Ordinary Shares or any issue of Ordinary Shares by way of capitalisation of profits or reserves, or any like or similar event.
- 16.6 For the purposes of Condition 4, (i) references to the “issue” of Ordinary Shares or Ordinary Shares being “issued” shall, unless otherwise expressly specified to be the case in respect of any of the provisions of Condition 4, include the delivery of Ordinary Shares, whether newly issued and allotted or previously existing or held by or on behalf of the Issuer or any of its Subsidiaries, and (ii) Ordinary Shares held by or on behalf of the Issuer or any of its respective Subsidiaries shall not be considered as or treated as “in issue” or “issued” or entitled to receive the relevant Dividend, right or other entitlement.
- 16.7 References in these Conditions to “listing” or “listed” on the Irish Stock Exchange (or like or similar references) shall be construed as admission to the Official List of the Irish Stock Exchange and trading on its ESM or its Global Exchange Market.

17 Governing Law and Jurisdiction

(a) Governing Law

The CCNs and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, the laws of Ireland.

(b) Jurisdiction

Save as provided below, the courts of Ireland shall have exclusive jurisdiction to settle any disputes that may arise out of or in connection with any CCNs and accordingly any legal action or proceedings arising out of or in connection with any CCNs (“**Proceedings**”) may be brought in such courts. The Issuer submits to the jurisdiction of the courts of Ireland in respect of any such Proceedings 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. These submissions are made for the benefit of each of the Holders.

DESCRIPTION OF AIB GROUP

Allied Irish Banks, p.l.c., originally named Allied Irish Banks Limited, was incorporated in Ireland on 21 September 1966 with registered number 24173 as a result of the amalgamation of three long established banks: 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). The Group conducts retail and commercial banking business in Ireland through an extensive branch network across the country, as well as its head office in Dublin. Following the disposals in 2010 and 2011 of a number of overseas businesses in the USA and Poland, AIB Group now has a limited but focused overseas presence which includes operations in the UK.

For further information on the business activities of the Group, please see the section entitled Financial Review – Business Description on pages 13-20 of the Annual Financial Report 2010, which is incorporated by reference into these Listing Particulars. AIB's registered office is at Bankcentre, Ballsbridge, Dublin 4, Ireland with telephone number + 353 1 660 0311.

Strategy and update on AIB's EU restructuring plan

Strategy

As outlined in the Annual Financial Report 2010, the Group's strategy is to establish a new core bank with a restructured balance sheet. The Group intends to achieve this through the separation, progressive disposal and winding down of non-core assets through a deleveraging plan, in order to achieve a target loan to deposit ratio of 122.5 per cent. by December 2013.

In May 2011, the Group outlined its new operating model and announced a number of appointments to its executive leadership team. The former divisional structure has been replaced by an integrated bank comprising the following customer-facing units: Personal & Business Banking and Corporate, Institutional and Commercial Banking. AIB (UK) will be managed as a separate unit. Control and support functions are in the process of being streamlined and centralised.

To manage the deleveraging process, the Group has set up a non-core unit to oversee the disposal and run-off of selected non-core assets. This unit has been operational with its own management team since 1 July 2011. The team has a strong emphasis on governance, risk, performance measurement and oversight reporting and the entire organisational transformation process is supported by a dedicated team.

Through its deleveraging plan and organisational changes, the Group intends to develop a strong foundation from which a profitable business can be rebuilt and to be well positioned in the market as one of two pillar domestic Irish banks. The Group expects that the acquisition of EBS on 1 July 2011 will contribute to a return to economic viability.

Update on AIB's EU restructuring plan

The financial support provided to the Group by the Government, including the support provided most recently as part of the July 2011 recapitalisation, is subject to review and approval by the European Commission under EU state aid rules. The Group's original restructuring plan was submitted to the European Commission in November 2009. An updated plan was submitted in May 2010. Following the capital injection from the Government in December 2010, and the recapitalisation of the Group by the Government in July 2011, a revised restructuring plan was necessary. This plan, which incorporated the acquisition of EBS, was submitted by the Group to the European Commission on 29 July 2011. The European Commission may require the Group to undertake structural and behavioural measures, including measures to support the development of competition in the Irish market.

Developments in Recent Years

Since August 2007, global financial markets have experienced significant volatility and turmoil which have caused a breakdown of wholesale banking markets, large write-downs among financial institutions, a major change in the banking landscape and a credit crisis that has extended into some sovereign debt markets. The impact of the financial crisis has been very damaging. Since mid-2008, the Group has experienced many challenges as a result of issues arising from the financial crisis. Since the onset of the global and Irish financial crisis, the Group's relationship with the Government has changed significantly.

On 28 November 2010, it was announced that the Government had agreed in principle to the provision of €67.5 billion of financial support to Ireland by certain EU Member States through the European Financial Stability Fund ("EFSF") and the European Financial Stability Mechanism, together with bilateral loans from the UK, Sweden and Denmark, use of the International Monetary Fund's ("IMF") Extended Fund Facility and a commitment of €17.5 billion from the NPRFC and other domestic cash resources. That agreement was subsequently formalised and the resulting EU/IMF Programme (the "**EU/IMF Programme**") included up to €35 billion to support the Irish banking system, including the Group, €10 billion of which was for immediate recapitalisation and up to €25 billion of which is available on a contingency basis. It also set out a programme to deleverage and reorganise the Irish banking sector and provided for new regulatory capital requirements for the Irish banking system at a level which is in line with the highest international standards.

In tandem with the announcement of the EU/IMF Programme, the Central Bank announced that it had set new capital targets for the Irish banking system. The Group was requested to generate a further increased level of Core Tier 1 Capital by 28 February 2011, being a Central Bank estimate at that time of the amount needed to achieve a target Core Tier 1 Capital Ratio of 12 per cent. (calculated by reference to the position as at 31 December 2010) and to maintain a Core Tier 1 Capital Ratio of greater than 10.5 per cent. That 28 February 2011 deadline was postponed on 9 February 2011 pending the outcome of the Irish general election on 25 February 2011 and the outcome of the PCAR 2011 and PLAR 2011 results on 31 March 2011.

On 23 December 2010, upon the Minister's application, the High Court issued a direction order under the Stabilisation Act with the consent of AIB, directing AIB to issue approximately €3.8 billion (before taking account of fees) of new equity capital to the NPRFC. The purpose of that capital injection was to increase the Group's Core Tier 1 Capital prior to 31 December 2010; it resulted in the Group's Core Tier 1 Capital being increased by €3.7 billion (net of expenses).

PCAR 2011 and PLAR 2011

On 31 March 2011, the Central Bank published its Financial Measures Programme report, which detailed the outcome of the PCAR 2011 and PLAR 2011 review for certain Irish credit institutions. The review, a requirement of the EU/IMF Programme, involved three separate but complementary exercises:

- an independent loan loss assessment exercise performed by BlackRock Solutions, the results of which informed the calculation of capital requirements under PCAR 2011;
- the PCAR 2011 exercise to stress-test the capital resources of Irish banks, in a given stress scenario, for the purposes of determining the level of recapitalisation required to meet certain minimum capital ratios imposed by the Central Bank; and
- the PLAR 2011 exercise to establish funding targets for the credit institutions participating in PCAR 2011 in order to reduce the leverage of the Irish banking system and short-term central bank funding. In addition, the exercise set out targets to ensure convergence to Basel III liquidity standards over time.

PCAR 2011

PCAR 2011 relied heavily on the independent loan loss assessment exercise performed by BlackRock Solutions. For elements of the income and expenditure accounts, it relied, in part, on each bank's own forecasts based on Central Bank-specified parameters. Additional buffers to ensure sufficient capital to cover post-2013 events and other contingencies were also included. The Central Bank set a new capital target for the enlarged AIB Group including EBS which requires that the Group maintains a minimum capital target of 10.5 per cent. Core Tier 1 Capital in the base scenario, and in excess of 6 per cent. Core Tier 1 Capital in a stress scenario. As a result, the Group was required to raise capital necessary to fulfil the new capital target applicable under PCAR 2011 by 31 July 2011. This resulted in a total capital requirement of approximately €14.8 billion Core Tier 1 Capital, of which approximately €1.6 billion was raised through the issuance of the CCNs. This requirement was satisfied in full by the target date of 31 July 2011.

PLAR 2011

PLAR 2011, undertaken by the Central Bank together with the EU, the IMF and the ECB, is an assessment of measures to be implemented with a view to gradually deleveraging the Irish banking system and reducing reliance on short-term wholesale funding and liquidity support from monetary authorities.

PLAR 2011 assessed the funding and liquidity structure of the balance sheets of Irish credit institutions. It focuses on the loan to deposit ratio, with the explicit purpose of reducing the assets held by Irish banks. Each of the credit institutions participating in PLAR 2011 must achieve a target loan to deposit ratio of 122.5 per cent. by December 2013. To achieve that target, the Group is required to sell assets in a controlled manner between now and the end of 2013. In doing so, the Group is likely to incur losses relative to book value. An estimate of losses is included in the overall assessment of the capital needs of the Group as part of PCAR 2011.

Increase in Government shareholding and recapitalisation

As described in the Annual Financial Report 2010, on 8 April 2011, following the disposal of BZWBK by AIB, all of the convertible non-voting ("CNV") shares of AIB that were issued to the NPRFC on 23 December 2010 were converted into Ordinary Shares on a one-for-one basis, which resulted in the NPRFC holding approximately 92.8 per cent. of the issued Ordinary Shares of AIB at that date.

On 13 May 2011, 484,902,878 Ordinary Shares were issued to the NPRFC in part satisfaction of the bank's obligation to issue Ordinary Shares in lieu of a dividend on the 2009 Preference Shares held by the NPRFC. Following this issue of ordinary shares, the NPRFC held approximately 93.1 per cent. of the total issued ordinary shares of AIB at that date.

In addition, having obtained the required approvals from shareholders at an Extraordinary General Meeting held on 26 July 2011, AIB issued the following capital:

- On 27 July 2011, AIB issued (i) 500 billion Ordinary Shares of €0.01 each (following renormalisation of AIB's Ordinary shares from €0.32 each to €0.01 each) to the NPRFC at a subscription price of €0.01 per share; and (ii) €1.6 billion of CCNs at par to the Minister, raising a total of €6.6 billion.
- Further to its announcement on 13 May 2011, AIB issued an additional 762,370,687 Ordinary Shares to the NPRFC on 27 July 2011, being the remainder of the bonus shares due as a result of the 2011 annual cash dividend on the 2009 Preference Shares not being satisfied in full on 13 May 2011.
- On 28 July 2011, AIB received capital contributions totalling approximately €6.1 billion from the Minister and the NPRFC. No new shares were issued to the Minister and the NPRFC in return for these capital contributions.

At the date of these Listing Particulars the NPRFC holds approximately 99.8 per cent. of the total issued Ordinary Shares of AIB. The NPRFC also holds 3.5 billion 2009 Preference Shares at the date of these Listing Particulars.

Other capital raising measures undertaken by the Group

In addition to the recapitalisation measures undertaken with the Government, the Group has undertaken other measures in order to meet the increased PCAR capital requirements, including the following:

Business Disposals

- On 4 November 2010, AIB announced the completion of the sale of its approximately 22 per cent investment in M&T Bank for c.U.S.\$2.0 billion (equivalent to €1.5 billion at that time), generating €0.9 billion of Core Tier 1 Capital for the Group.
- On 1 April 2011, AIB completed the sale of its 70.36 per cent. stake in BZWBK and its 50 per cent. stake in BZWBK AIB Asset Management S.A. to Banco Santander S.A. for a total cash consideration of €3.1 billion. The Group generated Core Tier 1 Capital of approximately €2.3 billion as a result of that disposal (excluding €0.2 billion reported in the Group's income statement since the announcement of the transaction in September 2010).

Acquisitions

- On 24 February 2011, AIB acquired deposits of €7 billion and NAMA senior bonds with a nominal value of €12 billion from Anglo Irish Bank Corporation Limited, pursuant to a transfer order issued by the High Court under the Stabilisation Act. AIB also acquired Anglo Irish Bank Corporation (International) PLC in the Isle of Man, including customer deposits of almost €1.6 billion. Approximately €1.5 billion of Core Tier 1 Capital was generated by the Group as a result of these acquisitions.

Liability Management Exercises

Since 2009, the Group has undertaken a number of liability management initiatives to increase its Core Tier 1 Capital.

- In June 2009, the Group completed the exchange of non-Core Tier 1 and Upper Tier 2 capital instruments for a Lower Tier 2 issue. This involved the redemption of securities at a discount to their nominal value or issue price, but at a premium to their trading price. The consideration for the redemption was the issue of euro and sterling subordinated capital instruments. The transaction resulted in a total gain of €1.161 billion with €623 million being recorded in the income statement and a gain of €538 million being recorded directly in equity.
- On 29 March 2010, the Group completed the exchange of Lower Tier 2 capital instruments for new Lower Tier 2 capital qualifying securities. This involved the issue of euro, dollar and sterling subordinated capital instruments. The instruments were exchanged at discounts ranging from 9 per cent. to 26 per cent. The transaction resulted in a total gain of €372 million all of which was recorded in the income statement. Further details on the liability management exercises in June 2009 and March 2010 are available in the notes to the financial statements included in the Annual Financial Report 2010 (pages 191 to 192), as incorporated by reference into these Listing Particulars.
- On 24 January 2011, the Group completed a tender offer for certain of its Tier 2 capital instruments, in which it offered to purchase for cash Lower Tier 2 securities with a nominal value of €3.9 billion at 30 per cent. of their face value. Offers were accepted to repurchase approximately €2 billion of such Lower Tier 2 securities and a further €0.2 billion was exchanged for cash in a private placement. The

Group generated Core Tier 1 Capital of approximately €1.5 billion as a result of this liability management exercise.

- On 13 May 2011, the Group launched a cash tender offer for all of its outstanding subordinated liabilities and other capital instruments. Pursuant to this offer, the Group offered to purchase the instruments at prices ranging from 10 per cent. to 25 per cent. of their face value. In respect of those offers which were accepted and completed by 30 June 2011, the Group recognised a gain of €1.7 billion (€1.3 billion in its income statement and €0.4 billion directly in equity). However, for those offers which were accepted and completed after 30 June 2011, the corresponding gains were recorded in the income statement in the Half-Yearly Financial Report 2011 at a fair value of €0.4 billion. The total impact of this liability management exercise was a gain of €2.1 billion, €1.7 billion recognised in the income statement and €0.4 billion recognised directly in equity.

As a result of the capital issued to the Government, as described above of €6.6 billion, the capital contributions of €6.1 billion and the capital raising initiatives, primarily the liability management exercise launched on 13 May 2011 which raised a total of €2.1 billion, the Group has now fulfilled its PCAR Requirement. The Central Bank has confirmed this.

Other Acquisitions

The acquisition by AIB of EBS was announced on 31 March 2011 and was completed on 1 July 2011. This acquisition represents a significant consolidation within the Irish banking sector, through the formation of one of two pillar banks in Ireland.

European Banking Authority (“EBA”) measures

The results of the recent EU-wide capital stress test carried out by the EBA were announced on 15 July 2011. The EBA 2012 stress scenario expects the Group, post capitalisation but excluding the impact of the acquisition of EBS, to have a core tier 1 ratio of 11.7 per cent. (including €1.4 billion in contingent capital) as at December 2012. Measured against the threshold for passing the test of a Core Tier 1 Ratio of 5 per cent., the Group currently has no further capital raising requirements.

On 26 October 2011, the EBA announced that it had reviewed the actual capital positions and sovereign debt exposures of banks, including AIB, that participated in the EBA EU-wide capital stress test announced on 15 July 2011. As a result of this review, the EBA announced a number of measures to support the agreement at EU level on measures to restore confidence in the European banking sector which focused on the capital and term funding needs in the EU banking sector against the backdrop of the increasing concerns regarding sovereign debt.

These EBA measures contained a capital package aimed at providing a further capital buffer for the EU banking system pursuant to which banks are required to (i) strengthen their capital positions by building up a temporary capital buffer against sovereign debt exposures to reflect current market prices and (ii) establish a buffer such that their Core Tier 1 capital ratio reaches 9%. Banks will be expected to build up these buffers by the end of June 2012.

The EBA provided a preliminary and indicative aggregated capital target at EU country level amounting to €106 billion, however, this estimated target indicated that Irish banks, including AIB, would not require any additional capital. The EBA expects to finalise the actual capital shortfall targets during November 2011, based on banks’ figures as at 30 September 2011 when individual banks will be asked to disclose their capital and sovereign debt positions.

If necessary, banks will be required by the end of 2011 to submit to their respective national authorities, the Central Bank in the case of AIB, their plans detailing the actions they intend to take to reach the new capital

targets. These plans will have to be agreed with national supervisory authorities and discussed with the EBA. The targets will have to be achieved avoiding excessive deleveraging, so as to contain the potential impact on the real economy.

Delisting from NYSE

On 26 August 2011, AIB announced that its American Depositary Shares (“ADS”) were delisted from, and ceased to be traded on, the New York Stock Exchange. In due course, AIB will terminate its obligations under the US Securities Exchange Act 1934 by filing a Form 15F.

Board of Directors

AIB’s Board of Directors is comprised of the following:

Name	Function within AIB	Significant principal activities performed outside AIB
David Hodgkinson	Executive Chairman Chairman of the Nomination & Corporate Governance Committee Member of the Remuneration Committee	None
Bernard Byrne	Executive Director Director of Personal & Business Banking Director of EBS Limited	None
Simon Ball	Non-Executive Director	Non-Executive Deputy Chairman and Senior Independent Director of Cable & Wireless Communications plc. Non-Executive Director of Tribal Group plc.
Declan Collier	Non-Executive Director Member of the Audit Committee	CEO and Director of Dublin Airport Authority plc. Member of both the European and World boards of Airports Council International. Chairman of Aer Rianta International cpt and DAA Finance plc.
Jim O'Hara	Non-Executive Director Member of the Audit Committee Member of the Nomination & Corporate Governance Committee Member of the Remuneration Committee	None
Dr. Michael Somers	Non-Executive Director Deputy Chairman Chairman of the Board Risk	Non-Executive Director of Willis Group Holdings Limited, Hewlett-Packard International

	Committee	Bank plc, Fexco Holdings Limited, the Institute of Directors, the European Investment Bank, St. Vincent's Healthcare Group Limited, and President of the Ireland Chapter of the Ireland-US Council.
Dick Spring	Non-Executive Director Member of the Nomination & Corporate Governance Committee & Board Risk Committee	Non-Executive Director of Fexco Holdings Limited, Repak Limited. Chairman of International Development Ireland Limited, Altobridge Limited and Alder Capital Limited.
Thomas Wacker	Non-Executive Director	Non-Executive Director of Belmont Advisors (UK) Limited, IFG Group plc. and the USA Rugby Board.
Catherine Woods	Non-Executive Director Chairman of the Audit Committee and member of the Board Risk Committee Director of EBS Limited Director of AIB Mortgage Bank	Non-Executive Director of An Post

AIB's secretary is David O'Callaghan.

Each of the Directors' business address is AIB's registered address at Bankcentre, Ballsbridge, Dublin 4, Ireland.

There are no potential conflicts of interest between the duties to the Issuer of the persons listed above and their private interests or other duties.

TAXATION

The following is a general discussion of certain Irish and United Kingdom tax consequences of the acquisition and ownership of CCNs and the ownership of Ordinary Shares, and certain aspects of the EU Savings Directive. This summary is based on Irish and United Kingdom taxation law and the practices of the tax authorities of Ireland and the United Kingdom in force at the date of these Listing Particulars. It does not constitute tax or legal advice and it does not purport to be, and is not, a complete description of all of the Irish and United Kingdom tax considerations that may be relevant to a decision to subscribe for, buy, hold, sell or otherwise dispose of CCNs. For the purposes of the following discussion, the terms “CCN Holder” and “Ordinary Shareholder” are used to refer to persons who are beneficial owners of CCNs and Ordinary Shares respectively. Separately, particular rules not discussed below may apply to certain classes of taxpayers holding CCNs or Ordinary Shares, such as dealers in securities, investment funds etc. This summary does not necessarily apply where the income is deemed for tax purposes to be the income of any other person. Prospective investors should consult their own professional advisers on the implications of subscribing for, buying, holding, selling or otherwise disposing of CCNs and of holding, selling or otherwise disposing of Ordinary Shares, in each case under the laws of any jurisdiction in which they may be liable to taxation.

Irish Taxation

Deposit Interest Retention Tax (“DIRT”)

Under Irish tax law, a ‘relevant deposit taker’ such as the Issuer is obliged to withhold an amount on account of tax (commonly known as DIRT) from interest and certain other payments made on a ‘relevant deposit’. Currently, the rate at which DIRT must be deducted is 27 per cent. or where the payment is not paid annually or more frequently and the amount cannot be determined until the date of payment, 30 per cent. The term ‘deposit’ is widely defined and would include a CCN. However, where a ‘deposit’ is not a ‘relevant deposit’ DIRT does not apply. A CCN is not a ‘relevant deposit’ in certain circumstances including (but not limited to) where:

- (a) it is listed on a stock exchange (e.g. the Irish Stock Exchange); or
- (b) the person beneficially entitled to interest on the CCN is not resident in Ireland for the purposes of Irish tax (“**Irish Resident**”) and a declaration to that effect has been made to the Issuer by the payee of interest in the form prescribed by the Revenue Commissioners for this purpose; or
- (c) the beneficial owner of the CCN is a company or a pension scheme that is Irish Resident and has provided an Irish tax reference number to the Issuer.

General Withholding Tax on Interest

In addition, under Irish law, there is a general withholding tax on interest that may apply to payments of interest if DIRT does not apply. In general, an amount on account of Irish income tax at the standard rate of tax (currently 20 per cent.) (the “**General Withholding Tax on Interest**”) must be deducted from certain payments of Irish source interest. Such payments include payments of Irish source yearly interest made by a company, which would include payments of interest made on CCNs, unless otherwise exempt. In this regard, the Revenue Commissioners of Ireland (the “**Revenue Commissioners**”) have confirmed that an exemption from this General Withholding Tax on Interest applies to payments of interest made on CCNs.

Encashment Tax on Interest

Encashment tax is a tax that applies in Ireland to certain payments.

For as long as CCNs are quoted on a recognised stock exchange (the Irish Stock Exchange is recognised for this purpose), Irish encashment tax may, in certain circumstances, apply to payments of interest made thereon. Where a collecting agent in Ireland obtains payment of interest on a CCN on behalf of the holder of a CCN, that collecting agent may be required to withhold tax at the standard rate of Irish income tax (currently 20 per cent.). Encashment tax will not apply if it is proved, on a claim made in the required manner to the Revenue Commissioners that the person owning the CCN and beneficially entitled to that interest payment is not Irish Resident. For this purpose, it is necessary that such interest is not deemed under the provisions of Irish taxation legislation to be income of another person that is Irish Resident.

A person that is not in Ireland is not obliged to deduct Irish encashment tax.

Also, no Irish encashment tax will apply solely on account of the clearing of a cheque by a bank in Ireland, or the arranging for the clearing of a cheque, by a bank in Ireland.

Dividend Withholding Tax on distributions made on Ordinary Shares

Any ‘relevant distribution’ made on Ordinary Shares is subject to dividend withholding tax in Ireland (“**DWT**”) at the standard rate of Irish income tax (currently 20 per cent.) unless an exemption applies. A distribution of cash, assets or other property would be a ‘relevant distribution’ for this purpose unless paid to certain specified Irish persons.

Certain categories of shareholder are entitled to an exemption from DWT if, prior to payment of the dividend, the Issuer or a ‘qualifying intermediary’ from whom the dividend is received by that shareholder, as the case may be, has received all documentation required by law in order for that exemption to apply, and in the case of shareholders that are not Irish Resident, that documentation is current at the date of payment of the dividend.

Such categories of shareholder include (but are not limited to):

- (a) companies that are Irish Resident;
- (b) Irish established pension schemes;
- (c) Irish authorised collective investment undertakings;
- (d) shareholders that are not companies, that are neither Irish Resident nor ordinarily resident in Ireland for the purposes of Irish tax (“**Ordinarily Resident in Ireland**”) and are resident for tax purposes in an E.U. Member State other than Ireland or a territory that has signed a double taxation agreement with Ireland (a “**Relevant Territory**”) under the laws of that Relevant Territory;
- (e) shareholders that are companies that are not Irish Resident and:
 - (i) are resident for tax purposes in a Relevant Territory under the laws of that Relevant Territory provided that company is not under the control, whether directly or indirectly, of a person or persons who is or are Irish Resident;
 - (ii) are ultimately under the control, directly or indirectly, of a person or persons resident in a Relevant Territory under the laws of that Relevant Territory; or
 - (iii) the principal class of shares of which, or where the company is a 75 per cent. subsidiary of another company, of that other company, or where the company is wholly owned, directly or indirectly, by two or more companies, where the principal class of shares of each of those companies, is substantially and regularly traded on a recognised stock exchange in a Relevant Territory or Relevant Territories, or in Ireland or on such other stock exchange approved by the Minister for Finance for that purpose.

Liability of CCN Holders to Irish Tax

In general, persons who are Irish Resident and domiciled in Ireland are liable to Irish tax on their world-wide income whereas persons who are neither Irish Resident nor Ordinarily Resident in Ireland are only liable to Irish tax on their Irish source income.

A person becomes Ordinarily Resident in Ireland upon the commencement of the fourth consecutive tax year in which that person is Irish Resident. A person ceases to be Ordinarily Resident in Ireland upon the cessation of the third consecutive tax year in which that person is not Irish Resident.

Interest arising on CCNs is Irish source income. All persons are under a statutory obligation to account for Irish tax due on a self-assessment basis and there is no requirement for the Revenue Commissioners to issue or raise an assessment in this regard. Therefore, notwithstanding that a CCN Holder may receive interest on the CCNs without deduction of any amount on account of Irish tax, unless an exemption applies, a CCN Holder is, as a matter of Irish law, liable to Irish tax on such interest.

Where a CCN Holder is a company that is Irish Resident, or a company that is not Irish Resident but the interest is attributable to a branch or agency or other permanent establishment of that company in Ireland, Irish corporation tax will apply.

Where a CCN Holder is a company that is not Irish Resident and the interest is not attributable to a branch or agency or other permanent establishment of that company in Ireland, then unless an exemption applies, Irish income tax applies to the interest at the standard rate of Irish income tax (currently 20 per cent.).

Where a CCN Holder is a natural person, unless an exemption applies, Irish income tax applies to the interest at the person's marginal rate of Irish income tax (currently up to 41 per cent.) and Pay Related Social Insurance and the Universal Social Charge, if applicable.

Credit is available for any Irish tax withheld from income on account of the related income tax liability.

There are exemptions from Irish income tax on interest contained in section 198 of the Taxes Consolidation Act 1997 of Ireland, as amended, that apply in certain circumstances.

CCN Holders receiving interest on the CCNs which does not fall within the above exemptions may be liable to Irish income tax and the universal social charge on such interest.

Separately, any liability to Irish income tax and the universal social charge on Irish source interest may be obviated or reduced pursuant to the terms of an applicable double taxation agreement.

Liability of Ordinary Shareholders to Irish Tax

Ordinary Shareholders that are natural persons and are Irish Resident are subject to Irish income tax at their marginal rate of Irish income tax, the Universal Social Charge and Pay Related Social Insurance, if applicable, on the gross amount of any dividend to which they are beneficially entitled. The gross dividend amount is the amount of the distribution before deduction of DWT, if applicable. Such Ordinary Shareholders are entitled to a credit for any DWT deducted against their income tax liability in the relevant tax year, and any amount by which such DWT exceeds such income tax liability may be refunded to them provided that they furnish a statement of DWT suffered to the Revenue Commissioners.

Companies that are Irish Resident are generally exempt from Irish tax on dividends received from a company that is Irish Resident, such as the Issuer.

Ordinary Shareholders that are not Irish Resident are liable to Irish income tax on dividends received, unless an exemption applies. An Ordinary Shareholder that is not Irish Resident is entitled to exemption from Irish income tax on dividends received if that Ordinary Shareholder is exempt from DWT on that dividend or would have been entitled to be so exempt, if that Ordinary Shareholder had provided to the Issuer or a

‘qualifying intermediary’ from whom the dividend is received by that Ordinary Shareholder, as the case may be, the documentation required by law in order for that exemption from DWT to apply, and that documentation had been current at the date of payment of the dividend.

Where Ordinary Shareholders that are not Irish Resident are not exempt from Irish income tax on dividends received, DWT deducted from the dividend payment satisfies any liability to Irish income tax provided a statement of DWT suffered is furnished to the Revenue Commissioners.

Capital Gains Tax

For as long as the CCNs are listed on a stock exchange (e.g. the Irish Stock Exchange), or do not derive the greater part of their value directly or indirectly from Irish land or certain Irish mineral rights, a CCN Holder will not be subject to Irish tax on any gain arising on a disposal of CCNs provided that the CCN Holder is neither Irish Resident nor Ordinarily Resident in Ireland and does not have an enterprise, or an interest in an enterprise, which carries on business in Ireland through a branch or agency, or a permanent establishment, to which or to whom the CCNs are attributable.

Irish capital gains tax should not arise on a Conversion. Where a CCN Holder receives Ordinary Shares in exchange for CCNs held by them immediately prior to a Conversion as part of a Conversion, the Ordinary Shares should be deemed, for Irish capital gains tax purposes, to be the same asset as the CCNs with the same base cost and acquisition date as the CCNs that are redeemed as part of the Conversion.

For as long as Ordinary Shares are listed on a stock exchange (e.g. the Irish Stock Exchange), or do not derive the greater part of their value directly or indirectly from Irish land or certain Irish mineral rights, an Ordinary Shareholder will not be subject to Irish tax on any gain arising on a disposal of Ordinary Shares provided that Ordinary Shareholder is neither Irish Resident nor Ordinarily Resident in Ireland and does not have an enterprise, or an interest in an enterprise, which carries on business in Ireland through a branch or agency, or a permanent establishment, to which or to whom the Ordinary Shares are attributable.

The rate of Irish capital gains tax is currently 25 per cent.

Capital Acquisitions Tax

If CCNs or Ordinary Shares, as the case may be, are comprised in a gift or inheritance taken from a disponent that is Irish Resident or Ordinarily Resident in Ireland (or, in the case of certain settlements, an Irish domiciled disponent) or if the recipient is Irish Resident or Ordinarily Resident in Ireland, or if the CCNs or Ordinary Shares, as the case may be, are regarded as property situate in Ireland, the recipient (or, in certain cases, the disponent) may be liable for Irish capital acquisitions tax.

The CCNs, which are issued in registered form, will be regarded as property situate in Ireland if the register of the CCNs is maintained in Ireland. At the date of these Listing Particulars, the register of CCNs is maintained outside of Ireland. It is possible that the location of the register of CCNs may change.

Ordinary Shares, which will be issued in registered form, will be regarded as property situate in Ireland if the register of the Ordinary Shares is maintained in Ireland. At the date of these Listing Particulars, if Ordinary Shares were issued, the register of those Ordinary Shares would be required to be maintained in Ireland.

For the purposes of capital acquisitions tax, a non-Irish domiciled person will not be treated as Irish Resident or Ordinarily Resident in Ireland except where the person is Irish Resident or Ordinarily Resident in Ireland and has been Irish Resident for the 5 consecutive tax years immediately preceding the tax year in which the date of the gift or inheritance falls.

The rate of Irish capital acquisitions tax is currently 25 per cent.

Stamp Duty

No Irish stamp duty is payable on the issue of CCNs or the issue of Ordinary Shares.

Any instrument that gives effect to a transfer on sale or a voluntary disposition of CCNs or Ordinary Shares, as the case may be (other than such a disposition by the Minister or the NTMA), will be liable to Irish stamp duty at a rate of 1 per cent. of the consideration passing or the market value of the CCNs or Ordinary Shares, as the case may be, transferring, if greater. Generally, the person accountable for such stamp duty is the transferee, except in the case of a voluntary disposition, in which case the transferor and the transferee are jointly accountable. Stamp duty is generally payable within 30 days of the date of execution of the relevant instrument.

European Union Taxation of Savings Income Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income (the “**EU Savings Tax Directive**”), EU Member States are required to provide to the tax authorities of other EU Member States, details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other EU Member State. This is subject to the exception that, for a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate withholding tax 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 EU Savings Tax Directive has been enacted into Irish legislation. Since 1 January 2004, where any person in the course of a business or profession carried on in Ireland makes an interest payment to, or secures an interest payment for the immediate benefit of, the beneficial owner of that interest, where that beneficial owner is an individual, that person must, in accordance with the methods prescribed in the legislation, establish the identity and residence of that beneficial owner. Where such a person makes such a payment to a ‘residual entity’ then that interest payment is a ‘deemed interest payment’ of the ‘residual entity’ for the purpose of this legislation. A ‘residual entity’, in relation to ‘deemed interest payments’, must, in accordance with the methods prescribed in the legislation, establish the identity and residence of the beneficial owners of the interest payments received that are comprised in the ‘deemed interest payments’.

Procedures relating to:

- (a) the reporting of details of payments of interest (or similar income) made by any person in the course of a business or profession carried on in Ireland, to beneficial owners that are individuals or to residual entities resident in another EU Member State or an ‘associated territory’; and
- (b) the reporting of details of deemed interest payments made by residual entities where the beneficial owner is an individual resident in another EU Member State or an ‘associated territory’,

apply to payments of interest on the CCNs.

The Issuer and its agents shall be entitled to require a CCN Holder to provide any information regarding their identity, status and residency required by the Issuer or its agents in order to satisfy the disclosure requirements of the EU Savings Tax Directive and a CCN Holder will be deemed by their subscription for CCNs to have authorised the disclosure of such information by the Issuer and its agents to the relevant tax authorities.

The European Commission has proposed certain amendments to the EU Savings Tax Directive, which may, if implemented, amend or broaden the scope of the requirements described above.

For the purposes of the paragraphs under this heading:

- (a) “**associated territory**” means Andorra, Liechtenstein, Monaco, San Marino, the Swiss Confederation, Aruba, Netherlands Antilles, Jersey, Gibraltar, Guernsey, Isle of Man, Anguilla, British Virgin Islands, Cayman Islands, Montserrat and the Turks and Caicos Islands; and
- (b) “**residual entity**” means a person or undertaking established in Ireland or in another EU Member State or in an ‘associated territory’ to which an interest payment is made for the benefit of a beneficial owner that is an individual, unless that person or undertaking is within the charge to corporation tax or a tax corresponding to corporation tax, or it has, in the prescribed format for the purposes of this legislation, elected to be treated in the same manner as an undertaking for collective investment in transferable securities within the meaning of the UCITS Directive 85/611/EEC, or it is such an entity or it is an equivalent entity established in an ‘associated territory’, or it is a legal person (not being an individual) other than certain Finish or Swedish legal persons that are excluded from the exemption from this definition in the EU Savings Tax Directive.

United Kingdom Taxation

The comments below assume that the Issuer is not UK resident and does not act through a permanent establishment in the United Kingdom in relation to the CCNs.

On the basis that interest on the CCNs is not paid by or through a United Kingdom permanent establishment of the Issuer, the interest should not have a United Kingdom source and should not be subject to United Kingdom withholding tax. Furthermore, the CCNs issued will constitute “**quoted Eurobonds**” provided they are and continue to be listed on a recognised stock exchange, within the meaning of Section 1005 Income Tax Act 2007 (the Irish Stock Exchange is a recognised stock exchange for these purposes). Whilst the CCNs are and continue to be quoted Eurobonds, payments of interest by the Issuer on the CCNs may be made without withholding or deduction for or on account of any United Kingdom withholding tax.

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 CCNs 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 CCNs, 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 2012.

Interest and any discount or premium on, and profits or gains on disposal of, the CCNs may (depending on the terms of the CCNs in question and the particular circumstances of the Holder) be chargeable to United Kingdom tax by direct assessment where the CCNs 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 Holder) a permanent establishment to which the CCNs are attributable.

GENERAL INFORMATION

1. These Listing Particulars have been approved by the ISE. Application has been made to the ISE for the CCNs to be admitted to the Official List and to trading on the Global Exchange Market with effect from 27 October 2011. This document constitutes Listing Particulars for the purposes of such application. These Listing Particulars do not constitute a prospectus for the purposes of the Prospectus Directive. The Global Exchange Market is an exchange-regulated market.
2. The Issuer has obtained all necessary consents, approvals and authorisations in Ireland in connection with the issue and performance of the CCNs. The issue of the CCNs was authorised by the Board of the Issuer on 26 July 2011.
3. Except as disclosed under the sub-headings “Repayment of NTMA deposits”, “Acquisition of EBS Limited (“EBS”) (formerly EBS Building Society)”, “Liability management exercise”, “Renominalisation of Ordinary Shares – 26 July 2011” and “Capital update – July” in Note 45 (Non-adjusting events after the reporting period) on pages 100 to 101 of the Half-Yearly Financial Report 2011, which is incorporated by reference into these Listing Particulars, there has been no significant change in the financial or trading position of the Group since 30 June 2011.
4. Except as disclosed in the description of the Group on pages 60 to 64 of this document and the interim results of the Group as disclosed in the Half-Yearly Financial Report 2011, which is incorporated by reference into these Listing Particulars, there has been no material adverse change in the prospects of the Issuer since 31 December 2010.
5. Neither the Issuer nor any of its subsidiaries is nor has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the 12 months preceding the date of these Listing Particulars which may have or has had in the recent past significant effects on the financial position or profitability of the Issuer or the Group.
6. The Minister has, pursuant to a Note Purchase Agreement dated 26 July 2011, subscribed the aggregate principal amount of the CCNs on 27 July 2011, at 100.00 per cent. of their principal amount.
7. The net proceeds of the issue of the CCNs of €1,600,000,000, have been used by the Issuer in the funding of day-to-day operations of the Group. The estimated expenses related to the admission of the CCNs to trading on the Global Exchange Market are approximately €5,000.
8. The yield of the CCNs is 10.00 per cent. per annum, calculated on the basis of the Issue Price of 100.00 per cent. It is not an indication of market yields at the Issue Date or of future yields.
9. The Ordinary Shares are admitted to the Official List and to trading on the ESM. Information on the past performance of the Ordinary Shares and their volatility can be found on the ISE's website at www.ise.ie, which is frequently updated several times each day with the most up-to-date share price.
10. There are no material contracts entered into other than in the ordinary course of the Issuer's business, which could result in any member of the Issuer's group being under an obligation or entitlement that is material to the Issuer's ability to meet its obligations to Holders in respect of the CCNs being issued.
11. For so long as the CCNs remain outstanding, copies of the following documents will be available, during usual business hours on any weekday (Saturdays and public holidays excepted), for inspection in physical and/or electronic form at the registered office of the Issuer:
 - (a) the Agency Deed (which includes the form of the definitive certificate representing the CCNs);

- (b) the Memorandum and Articles of Association of the Issuer;
 - (c) the published annual report and audited accounts of the Issuer for the financial years ended 31 December 2010 and 31 December 2009;
 - (d) the unaudited accounts of the Issuer for the six months ended 30 June 2011;
 - (e) a copy of these Listing Particulars together with any Supplement to these Listing Particulars or further Listing Particulars; and
 - (f) all reports, letters and other documents, balance sheets, valuations and statements by any expert, any part of which is extracted or referred to in these Listing Particulars.
12. KPMG Chartered Accountants (a member of the Institute of Chartered Accountants of Ireland) have audited, without qualification, the annual consolidated financial statements of the Group for the financial years ended 31 December 2009 and 31 December 2010, as included in the Annual Financial Report 2009 and the Annual Financial Report 2010, in accordance with Auditing Standards issued by the Auditing Practices Board.
13. No website referred to herein forms part of these Listing Particulars for the purposes of the listing of the CCNs on the Global Exchange Market.

DEFINITIONS

Capitalised terms used but not otherwise defined in these Listing Particulars (other than in the section entitled “Terms and Conditions of the CCNs”) shall have the meanings set out below.

Annual Financial Report 2009	the consolidated financial report of the Group for the year ended 31 December 2009.
Annual Financial Report 2010	the consolidated financial report of the Group for the year ended 31 December 2010.
BZWBK	Bank Zachodni WBK S.A., a Polish bank.
Central Bank	the Central Bank of Ireland.
CIFS Scheme	the bank guarantee scheme introduced in Ireland pursuant to the Credit Institutions (Financial Support) Scheme 2008 (S.I. No. 411 of 2008).
EBS or EBS Limited	EBS Limited, a limited liability company incorporated in Ireland with registered number 500748.
ELG Scheme	the eligible liabilities guarantees scheme introduced in Ireland pursuant to the Credit Institutions (Eligible Liabilities Guarantee) Scheme 2009 (S.I. 490 of 2009), as amended by the Credit Institutions Eligible Liabilities Guarantee (Amendment) Scheme 2010 (S.I. 470 of 2010) and the Rules of the Credit Institutions (Eligible Liabilities Guarantee) Scheme 2009 (as amended).
ESM	the Enterprise Securities Market of the Irish Stock Exchange.
EU/IMF Programme	has the meaning set out on page 61 of these Listing Particulars.
Financial Measures Programme	the financial measures programme announced by the Central Bank on 31 March 2011, comprising the independent loan loss assessment exercise carried out by BlackRock Solutions, PCAR 2011 and PLAR 2011.
Half-Yearly Financial Report 2011	the unaudited consolidated financial report of the Group for the six-month period ended 30 June 2011.
M&T Bank	M&T Bank Corporation, a company incorporated under the state of New York, United States with its registered office at One M&T Plaza, Buffalo, New York.
NAMA	the National Asset Management Agency, established by the NAMA Act, and, where the context permits, other members of NAMA’s group, including subsidiaries and associated companies.

NAMA Act	the National Asset Management Agency Act 2009, as amended by the Stabilisation Act.
NAMA Assets	such classes of assets, including, but not limited to, land and property development loans and certain associated loans, as shall have been prescribed by the Minister as necessary for the purposes of the NAMA Act for inclusion in the NAMA Programme.
NAMA Programme	the programme through which NAMA has acquired or will acquire NAMA Assets from participating institutions on the terms specified in or pursuant to the NAMA Act.
NPRFC	National Pensions Reserve Fund Commission.
NPRFC Investments	the investments in the Group by the NPRFC.
PCAR 2011	the Prudential Capital Assessment Review undertaken by the Central Bank in 2011, the results of which were announced on 31 March 2011.
PCAR Requirement	the cumulative capital requirement imposed on the Group following the acquisition of EBS by the Central Bank which the Group was required to raise by 31 July 2011.
PLAR 2011	the Prudential Liquidity Assessment Review undertaken by the Central Bank in 2011, the results of which were announced on 31 March 2011.
Prospectus Directive	Directive 2003/71/EC of the European Parliament and of the Council dated 4 November 2003.
Qualifying Liquid Assets and Contingent Funding	together, facilities which provide cash funding without incurring a significant loss. Qualifying liquid assets, (which include central government securities or securities issued by financial institutions) are assets which can provide liquidity within four working days. Contingent funding includes pre-approved facilities where cash can be accessed subject to certain conditions being met.

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