



Allied Irish Banks, p.l.c.

(a company incorporated with limited liability in Ireland)

€10,000,000,000

Euro Medium Term Note Programme

This Base Prospectus supersedes any previous Information Memorandum, Base Prospectus or supplement thereto. Any notes (the “Notes”) issued under the €10,000,000,000 Euro Medium Term Note Programme (the “Programme”) on or after the date of this Base Prospectus are issued subject to the provisions herein. This Base Prospectus does not affect any Notes issued prior to the date hereof.

Allied Irish Banks, p.l.c., acting through its registered office in Dublin or its London branch as set out at the end of this Base Prospectus, (“AIB” or the “Issuer”) may from time to time issue Notes denominated in such currencies as may be agreed with the Dealers specified in this Base Prospectus (each a “Dealer” and together the “Dealers”, which expression shall include any additional Dealers appointed under the Programme (as defined below) from time to time, which appointment may be for a specific issue or on a continuing basis). The Notes may be issued as unsubordinated obligations of AIB (“Senior Notes”) or as subordinated obligations of AIB (“Subordinated Notes”). The Notes may be issued on a continuing basis to one or more of the Dealers. The Notes will have maturities of not less than one month from the date of issue (except as set out herein). Subject as set out herein, the maximum aggregate nominal amount of all Notes from time to time outstanding will not exceed €10,000,000,000 (or its equivalent in other currencies at the time of agreement to issue, subject as further set out herein).

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

This Base Prospectus has been approved by the Central Bank of Ireland (the “Central Bank”), as competent authority under the Prospectus Directive (as defined herein). The Central Bank only approves this Base Prospectus as meeting the requirements imposed under Irish and European Union law pursuant to the Prospectus Directive. Such approval relates only to the Notes which are to be admitted to trading on a regulated market for the purposes of Directive 2004/39/EC of the European Parliament and of the Council on markets in financial instruments as amended, to the extent that such amendments have been implemented in the relevant Member State of the European Economic Area and/or which are to be offered to the public in any Member State of the European Economic Area. Application has been made to the Irish Stock Exchange for Notes issued under the Programme for the period of 12 months from the date of the approval of the Base Prospectus by the Central Bank to be admitted to the Official List of the Irish Stock Exchange (the “Official List”) and trading on its regulated market. No assurance can be given that such an application to list and trade the Notes will be accepted. Arthur Cox Listing Services Limited (the “Listing Agent”) is acting solely in its capacity as listing agent in connection with the Notes and is not itself seeking admission of the Notes to the Official List or to trading on its regulated market for the purposes of the Prospectus Directive.

Notes which have been admitted to the Official List will be referred to as “Listed Notes”. Notice of the aggregate principal amount of, interest (if any) payable in respect of, the issue price of and any other terms and conditions not contained herein which are applicable to each Tranche of Notes will be set forth in a set of final terms (the “Final Terms”) which, with respect to the Listed Notes, will be delivered to the Irish Stock Exchange on or before the date of issue of such Tranche. As required by the Prospectus (Directive 2003/71/EC) Regulations 2005 (as amended) (the “Regulations”), a copy of this Base Prospectus has been filed with the Central Bank and will be filed with the Registrar of Companies within 14 days after its publication. Unlisted Notes and Notes listed on other or additional stock exchanges may also be issued. Any Final Terms in respect of unlisted Notes will not constitute final terms for the purposes of the Prospectus Directive.

Notes issued under the Programme are not guaranteed by the Minister for Finance of Ireland or any other person or entity.

Arranger

HSBC

Dealers

Allied Irish Banks, p.l.c.
BofA Merrill Lynch
Commerzbank
HSBC
Morgan Stanley

BNP PARIBAS
Credit Suisse
Deutsche Bank
J.P. Morgan Cazenove
UBS Investment Bank

This Base Prospectus constitutes a base prospectus for the purposes of Article 5.4 of the Prospectus Directive and Regulation 23 of the Regulations.

Persons Responsible

AIB accepts responsibility for the information contained in this Base Prospectus. To the best of AIB's knowledge and belief (having taken all reasonable care to ensure that such is the case) such information is in accordance with the facts and does not omit anything likely to affect the import of such information.

This Base Prospectus has been prepared on the basis that, except to the extent sub-paragraph (ii) below may apply, any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "Relevant Member State") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of Notes. Accordingly any person making or intending to make an offer in that Relevant Member State of Notes which are the subject of an offering contemplated in this Base Prospectus as completed by Final Terms in relation to the offer of those Notes may only do so (i) in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer, or (ii) if a prospectus for such offer has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State and (in either case) published, all in accordance with the Prospectus Directive, provided that any such prospectus has subsequently been completed by Final Terms which specify that offers may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State and such offer is made in the period beginning and ending on the dates specified for such purpose in such prospectus or Final Terms, as applicable and the Issuer has consented in writing to its use for the purpose of such offer. Except to the extent sub-paragraph (ii) above may apply, neither the Issuer nor any Dealer have authorised, nor do they authorise, the making of any offer of Notes in circumstances in which an obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer. The expression "Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression "2010 PD Amending Directive" means Directive 2010/73/EU.

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

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

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

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

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

AIB and the Dealers do not represent that this Base Prospectus may be lawfully distributed, or that Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by AIB or the Dealers (save for the delivery of copies of this Base Prospectus to the Registrar of Companies in Ireland) which would permit a public offering of any Notes or distribution of this Base Prospectus in any jurisdiction where action for that purpose is required. Accordingly, Notes may not be offered or sold, directly or indirectly, and neither this Base Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations and the Dealers have represented that all offers and sales by them will be made on the same terms.

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

In the case of any Notes which are to be admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Directive, the minimum specified denomination shall be at least €100,000 (or its equivalent in any other currency as at the date of issue of the Notes).

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

All references in this document to a “Member State” are references to a Member State of the European Economic Area, “U.S. dollars”, “U.S.\$”, “\$”, “USD” and “U.S. cent” refer to the currency of the United States of America, those to “euro”, “€” and “EUR” are to the single currency adopted by those states participating in the European Monetary Union from time to time and those to “Sterling”, “GBP” and “£” refer to the currency of the United Kingdom.

The language of this Base Prospectus is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) acting as the Stabilising Manager(s) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or any person acting on behalf of any Stabilising Manager(s)) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or person(s) acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.

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

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RISK FACTORS

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

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

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

Factors that may affect the Issuer's ability to fulfil its obligations under the Notes

The Group is exposed to a number of material risks and in order to minimise these risks, the Group has implemented comprehensive risk management strategies. Although the Group invests substantial time and effort in its risk management strategies and techniques, there is a risk that these may fail to fully mitigate the risks in some circumstances, particularly if confronted with risks that were not identified or anticipated.

Macro-economic and geopolitical risk

The Group's access to funding and liquidity may be adversely affected by the financial instability within the Eurozone

While economic, monetary and political conditions have stabilised within the Eurozone in the past 12 months, there is still a risk that certain European Union ("EU")/Eurozone members may not be able to support their sovereign debt burdens and meet future financial obligations, which may result in a further downgrade of sovereign credit ratings. This could adversely affect the cost and availability of funding to EU Member States and European banks. The Irish sovereign rating has a direct impact on the Group's rating, which is a key factor in attracting and retaining deposits. Any downgrade of Ireland's sovereign rating or the Group's rating could threaten the Group's liquidity and funding including the Group's deposit base and could also impede access to wholesale funding markets.

Constraints on liquidity and market reaction to factors affecting Ireland and the Irish economy have created a challenging environment for the management of the Group's liquidity

Until recently, the Group has been operating in an exceptionally challenging environment where wholesale market conditions restricted the Group's access to wholesale funding other than short duration and mainly secured funding. However, there has been recent improvement in market sentiment towards Irish issuers and the Group has re-engaged in the wholesale funding market through the issuance of long dated secured and unsecured debt. In November 2013, AIB issued €500m of senior unsecured notes to the market under the Programme and a further €500m senior unsecured notes were issued under the Programme in April 2014. However, any renewed stress or deterioration in credit market conditions could further restrict the Group's access to wholesale funding.

The continuing availability of customer deposits to fund the Group's loan portfolio is subject to factors outside the Group's control, such as the loss of confidence of depositors in the Irish economy, the Irish

financial services industry or the Group. Any loss of confidence in the Group, or in the financial services industry generally, could lead to losses of deposits over a short period of time.

To meet its funding requirements, the Group has accessed a range of central banks' liquidity facilities, including 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. The completion of the deleveraging programme combined with a stable customer deposits base has reduced the Group's reliance on European Central Bank ("ECB") funding and central bank liquidity facilities. The Credit Institutions (Eligible Liabilities Guarantee) Scheme 2009 (Statutory Instrument No.490 of 2009), as amended (the "ELG Scheme"), was closed to all new liabilities from midnight on 28 March 2013 and AIB Group (UK) p.l.c. announced its withdrawal from the ELG scheme in August 2012, and to date, these have had a negligible impact on deposit balances. However, in the unlikely event that the Group exhausts its stock of available collateral for funding and unsecured funding is unavailable, it would be necessary to seek alternative sources of funding.

The Capital Requirements Regulation ("CRR") and the Capital Requirements Directive ("CRD"), published in the EU Official Journal on 27 June 2013 (together, "CRD IV"), require banks to meet liquidity requirements including targets set for Basel III ratios, Net Stable Funding Ratio and Liquidity Coverage Ratio. Meeting the phased implementation deadlines of these requirements could impose additional costs on the Group.

The Group's business may be adversely affected by deterioration in economic and market conditions

Deterioration in the performance of the Irish economy or other relevant economies has the potential to adversely affect the Group's overall financial condition and performance. Such deterioration could result in 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.

While there are some signs of improvement and stabilisation in the Irish economy, any renewed stress or deterioration could impact the return of normalised markets for commercial and residential property. As the Group remains heavily exposed to the Irish property market, a prolonged delay in the recovery of the Irish market could have a negative impact on levels of arrears, the Group's collateral values and consequently, have a material impact on the Group's future performance and results.

General economic conditions continue to be very challenging for customers. A continued high level of unemployment together with any further reduction in borrowers' disposable income (for example current and future budgetary measures and reduction in salaries) has the potential to negatively impact customers' ability to repay existing loans. This could result in additional write downs and impairment charges for the Group and negatively impact its capital and earnings position. Challenging economic conditions will also influence the demand for credit in the economy. A declining or continuing muted demand for credit has the potential to impact the Group's financial position.

Contagion risks could disrupt the markets and adversely affect the Group's financial condition

The risk of contagion in the markets in which the Group operates and dislocations caused by the interdependency of financial markets participants is an on-going material risk to the Group's financial condition. Any reductions in the perceived creditworthiness of one or more corporate borrowers or financial institutions could lead to market-wide liquidity problems, losses and defaults, which could adversely affect the Group's results, financial condition and future prospects. Another source of potential contagion risk relates to the Euro. The risk of a Eurozone member withdrawing from the Eurozone has significantly reduced. However, if a Eurozone member exited from the Eurozone, this would have a significant adverse effect on the

financial stability of the Eurozone, the Irish financial system and Irish banks. In turn, this could result in a loss of customers' deposits, as well as creating immediate operational and business challenges for the Group.

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

Market risk is defined as the risk to the Group's earnings and shareholder value resulting from adverse movements in the level or volatility of market prices of debt instruments, equities and currencies. The market risk associated with the Group's trading activities is predominantly the result of the facilitation of client business and secondarily, the discretionary positioning activities of the Group in debt instruments, foreign exchange and equity products.

Interest rate risk in the Banking Book is defined as the Group's sensitivity to earnings volatility in its non-trading activity arising from movements in interest rates. It reflects a combination of interest rate risk arising from the retail, commercial and corporate operations and Banking Book positions maintained by the Group's Treasury function.

Among the most significant market risks which the Group faces are credit spread, interest rate, foreign exchange, bond and equity price risks. Changes in credit spread affect the values of Available for Sale ("AFS") bonds, and also the magnitude of the Credit Value Adjustment applied to the Group's derivative positions. Changes in interest rate levels, yield curves and spreads may affect the interest rate margin 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 currency rates, particularly in the euro-sterling rate, 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. The performance of financial markets may affect bond and equity prices causing changes to the value of the Group's investment and trading portfolios.

Macro-prudential, regulatory and legal risks to the business model

The Group is subject to Government supervision and oversight

As a result of the recapitalisation of the Group by the Irish Government, the Group is subject to a set of obligations outlined under a number of Subscription and Placing Agreements impacting on the Group's governance, remuneration, operations and lending activities. These obligations are in addition to certain commitments and restrictions to the operation of the Group's business under the Credit Institutions (Financial Support) Scheme 2008 and NAMA (as defined below) programme, all of which may serve to limit the Group's operations and place significant demands on the reporting systems and resources of the Group.

Extensive powers continue to be conferred on the Minister for Finance of Ireland (the "Minister"). The Credit Institutions (Stabilisation) Act 2010 (the "Stabilisation Act") conferred extensive powers on the Minister to direct the affairs of and restructure credit institutions and reorganise their assets and liabilities. Pursuant to the Stabilisation Act, directors are required to act in a manner that is aligned to the interests of the State in the performance of their duties, having regard to public interest considerations specified in the Stabilisation Act. The Stabilisation Act will cease to have effect on 31 December 2014.

The future of the Group's business activities are subject to possible interventions by the Irish Government or the disposal of the Irish State's ownership and other interests in the Group

The Group is substantially owned by an agency of the Irish State and accordingly, subject to EU state aid rules, controlled by the Irish State. Such ownership or control may affect the Group's operations, financial condition and future prospects.

In order to comply with contractual commitments imposed on the Group in connection with its recapitalisation by the Irish State and with the requirements of EU state aid applicable in respect of that recapitalisation, a relationship framework was entered into between the Minister and the Group in March 2012. This provides the framework under which the relationship between the Minister and the Group is governed. Under this relationship framework, the authority and responsibility for strategy and commercial policies (including business plans and budgets) and conducting the Group's day-to-day operations rest with the Board of the Group and its management team, but the appointment or removal of the chairman or chief executive officer of the Group are reserved to the Minister, and in respect of which the Board may only engage with the prior consent of the Minister.

Nevertheless, for so long as ownership of the Group remains within State control, there remains a risk of intervention by the Irish Government in relation to the operations and policies of the Group. Such interventions may have a negative impact on the operations of the Group.

The Irish State may sell or otherwise dispose of its ownership and other interests in the Group to any private or public entity, including any intergovernmental institution, such as the European Stability Mechanism. Any such sale or disposal, and any conditions attaching to it, could materially affect the Group's operations, financial condition and future prospects.

The Group may be subject to the risk of having insufficient capital to meet increased minimum regulatory requirements

The Group's target capital requirements as determined by the Central Bank under the 2011 Prudential Capital Assessment Review ("PCAR") are a core tier 1 ratio of 10.5 per cent in a base scenario and 6 per cent in a stressed scenario, (excluding a requirement for an additional protective buffer). As at December 2013, the Group core tier 1 ratio was 14.3 per cent, 15.0 per cent on a CRD IV transitional basis, which is above the required level. The Group carries out extensive forward-looking stress tests on its capital position on a regular basis and, over the course of 2013, these have confirmed that the Group does not require additional capital within the defined stress level. However, given the levels of uncertainty in the current economic environment, there is a possibility that the economic outturn over the capital planning period may be materially worse than the stress scenario envisages and/or that losses on the Group's credit portfolio may be above forecast levels. Were such losses to be significantly greater than currently forecast, there is a risk that the Group's capital position could be eroded to the extent that it would have insufficient capital to meet its regulatory requirements.

The CRD IV legislative package represents the EU's implementation of the Basel III reforms. On 31 March 2014, the Minister signed into Irish law two regulations to give effect to the CRD IV. The European Union (Capital Requirements) Regulations 2014 give effect to the CRD and the European Union (Capital Requirements) (No.2) Regulations 2014, give effect to a number of technical requirements in order that the CRR can operate effectively in Irish law. As a result of these regulations, credit institutions may be required to increase the quantity and quality of their regulatory capital. Full details of requirements in this regard have yet to be confirmed by the competent authorities, and it is possible that the Group's target regulatory capital requirements may ultimately increase as a result.

The Central Bank of Ireland conducted a balance sheet assessment of the three Irish credit institutions covered under the Eligible Liabilities Guarantee, including the Group, during the fourth quarter of 2013. This review included an assessment of asset quality, risk weighted assets and point in time capital as at 30 June 2013. The Group considered the findings of this review in the preparation of the Group's year end December 2013 impairment provisions and financial statements.

In addition, the ECB announced during October 2013 that it will undertake a comprehensive assessment of the banking system, to be concluded in October 2014. This ECB exercise will entail a Supervisory Risk

Assessment, an Asset Quality Review and a Stress Test in order to provide a forward-looking view of banks' shock absorption capacity under stress. The assumptions under which these assessments take place (including use of Open Market Value or Economic Value basis for property valuations and provision assessment) have yet to be confirmed. The outcome of these assessments may lead to a range of follow-up actions for banks, possibly including requirements for changes in the Group's capital requirements.

The Group's business activities must comply with increasing levels of regulation

In 2013, a significant number of new regulations were issued by both the Central Bank and the EU. A particular focus, in light of the mortgage forbearance issue, has been the introduction of a revised Code of Conduct on Mortgage Arrears and new personal insolvency legislation, which had taken full effect by December 2013. A risk arises from potential changes in customer attitude to debt obligations given that the new legislation allows for the agreed settlement of unsecured debt, and the settlement and/or restructuring of secured debts up to a maximum of €3 million. The inclusion of secured debt in the non-judicial process is unprecedented, and therefore, it is difficult to gauge its impact. The legal uncertainty with regard to the availability of certain remedies for the enforcement of mortgages over Irish land entered into prior to 1 December 2009 has been removed by the Land and Conveyancing Law Reform Act 2013 which was enacted on 24 July 2013.

The long anticipated CRD IV came into force on 1 January 2014 and permits a transitional period for certain of the enhanced capital requirements and certain other measures, such as a minimum leverage ratio, which are not expected to be fully implemented until 2018. This omnibus legislation will, among other measures, increase capital buffers and introduce new liquidity and leverage ratios for greater transparency.

In November 2014 a new banking supervisory system (a Single Supervisory Mechanism ("SSM")) will come into force which will see the Eurozone's largest banks, including the Group, coming under the direct supervision of the ECB. The main aims of the SSM are to ensure the safety and soundness of the European banking system and to increase financial integration and stability in Europe. The European institutions have also agreed to establish a Single Resolution Mechanism ("SRM") including a single resolution board and a single fund for the resolution of banks. The establishment of the SRM is designed to ensure that supervision and resolution is exercised at the same level for countries that share the supervision of banks within the SSM. The SRM will cover banks in all countries participating within the SSM. The single resolution fund will be financed by bank levies raised at national level and the SRM will come into force on 1 January 2016.

Other measures likely to impact on the business of the Group in 2014 and the future include the Credit Reporting Bill, creating a new centralised credit bureau, and the revised Corporate Governance Code which will take effect from 1 January 2015.

The delivery of this level of regulatory change will place strain on the organisation's resources, particularly, during a period of significant restructuring and consolidation. The challenge of meeting tight implementation deadlines while balancing competing resource priorities and demands adds to the regulatory risk to the Group. These may also impact significantly on the Group's future product range, distribution channels, funding sources, capital requirements and consequently, reported results and financing requirements.

The Group's participation in the NAMA Programme gives rise to certain residual financial risks

On 8 April 2009, the Minister announced that a National Assets Management Agency ("NAMA") would be established on a statutory basis for the purpose of strengthening the Irish financial system as a whole. Legislation was enacted (the National Asset Management Agency Act 2009 ("NAMA Act")) in November 2009 which established NAMA with the Group being designated in February 2010 as a participating institution under the NAMA Act.

During 2010 and 2011, the Group transferred financial assets to NAMA with a net carrying value of €15.5 billion for which it received as consideration NAMA senior and NAMA subordinated bonds.

Section 93 of the NAMA Act (Claw back of overpayments) provides that where a participating institution receives an amount to which it was not entitled, that the participating institution will repay such amount to NAMA. Any payments to NAMA in relation to such “Clawback” may have an adverse effect on the Group. Section 135 of the NAMA Act and Clause 9.2 of NAMA’s Acquisition Terms and Conditions directs the Group to provide a series of indemnities to NAMA relating to the transferred assets. Any payment by the Group to NAMA in respect of the indemnities may have an adverse effect on the Group.

Furthermore, Section 225 of the NAMA Act provides that, on the dissolution or restructuring of NAMA, the Irish Minister for Finance may require that a report and accounts be prepared. In the event that the NAMA report and accounts show that an aggregate loss has been incurred during the period since its establishment, the Minister may impose a surcharge on the Group, as a participating institution (under additional legislation which would be enacted). No surcharge will become payable until either (a) 10 years after the passing of the NAMA Act; or (b) NAMA is dissolved or restructured, or there is a material alteration of NAMA’s functions, whichever is last to occur.

In addition, credit exposure to NAMA arises from the senior and subordinated NAMA bonds acquired by the Group in consideration for the transfer of assets to NAMA.

Any of these events may serve to limit the Group’s operations and could have a material adverse effect on the Group’s results, financial condition and future prospects.

The Group may be adversely affected by further austerity and budget measures introduced by the Irish Government

The current and future budgetary and taxation policy of the Irish State and other measures adopted by the Irish Government may have an adverse impact on borrowers’ ability to repay their loans and, as a result, the Group’s business. Furthermore, some measures may directly impact the financial performance of the Group through the imposition of measures, such as the recently imposed bank levy.

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 these assets may be materially different from their current, or estimated, fair value

In accordance with IFRS, the Group recognises at fair value: (i) derivative financial instruments; (ii) financial instruments at fair value through profit or loss; (iii) certain hedged financial assets and financial liabilities; and (iv) financial assets classified as AFS. The best evidence of fair value is quoted prices in an active market. The absence of quoted prices due to the deterioration of the world’s financial markets increases reliance on valuation techniques and requires the use of judgement in the estimation of fair value. This judgement includes, but is not limited to, evaluating available market information, determining the cash flows for the instruments, identifying a risk free discount rate and applying an appropriate credit spread. Valuation techniques that rely to a greater extent on non-observable data require a higher level of management judgement to calculate fair value than those based on wholly observable credit spread.

The choice of contributors, the quality of market data used for pricing, and the valuation techniques used are all subject to internal review and approval procedures. Given the uncertainty and subjective nature of valuing financial instruments at fair value, any change in these variables could give rise to the financial instruments being carried at a different value, with a consequent impact on the Group’s results, financial condition and future prospects.

The Group's deferred tax assets depend substantially on the generation of future profits over an extended number of years

The Group's business performance may not reach the level assumed in the projections supporting the carrying value of the deferred tax assets. Lower than anticipated profitability within Ireland and the UK would lengthen the anticipated period over which the Group's Irish and UK tax losses would be used. The value of the deferred tax assets relating to unused tax losses constitutes substantially all of the deferred tax assets recognised in 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 recognition of the value of these losses, which would adversely affect the Group's results and financial condition, including capital and future prospects.

New capital adequacy rules, consistent with Basel III principles, are within the CRR. The new rules, *inter alia*, require the Group to deduct from its common equity capital, the value of most of the Group's deferred tax assets, including all deferred tax assets arising from unused tax losses. This deduction from common equity capital is to be phased in evenly over 10 years from 2014 at a rate of 10 per cent. per annum.

U.S. Foreign Account Tax Compliance Withholding

Whilst the Notes are in global form and held within Euroclear Bank S.A./N.V. and Clearstream Banking, *société anonyme* (together, the "ICSDs"), it is not expected that FATCA (as defined in "Taxation – FATCA Withholding") will affect the amount of any payment received by the ICSDs (see "Taxation – FATCA Withholding"). However, FATCA may affect payments made to custodians or intermediaries in the subsequent payment chain leading to the ultimate investor if any such custodian or intermediary generally is unable to receive payments free of FATCA withholding. It also may affect payment to any ultimate investor that is a financial institution that is not entitled to receive payments free of withholding under FATCA, or an ultimate investor that fails to provide its broker (or other custodian or intermediary from which it receives payment) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA withholding. Investors should choose the custodians or intermediaries with care (to ensure each is compliant with FATCA or other laws or agreements related to FATCA), provide each custodian or intermediary with any information, forms, other documentation or consents that may be necessary for such custodian or intermediary to make a payment free of FATCA withholding. Investors should consult their own tax adviser to obtain a more detailed explanation of FATCA and how FATCA may affect them. The Issuer's obligations under the Notes are discharged once it has paid the common depositary or common safekeeper for the ICSDs (as registered holder of the Notes) and the Issuer has therefore no responsibility for any amount thereafter transmitted through hands of the ICSDs and custodians or intermediaries.

Risks related to business operations, governance and internal control systems

The Group is subject to inherent credit risks in respect of customers and counterparties which could adversely affect the Group's results, financial condition and future prospects

Risks arising from changes in credit quality and the recoverability of loans and other amounts due from customers and counterparties are inherent in a wide range of the Group's businesses. In addition to the credit exposures arising from loans to individuals, SMEs and corporates, the Group also has exposure to credit risk arising from loans to financial institutions, its trading portfolio, AFS securities portfolio, derivatives and from off-balance sheet guarantees and commitments. The Group has been exposed to increased counterparty risk as a result of financial institution failures during the global economic crisis. The Group is also exposed to credit risks relating to sovereign issuers. Concerns in respect of Ireland and other sovereign issuers, including other EU Member States, have adversely affected and could continue to adversely affect the financial performance of the Group.

The Group faces elevated operational risks

Operational risk is defined within the Issuer as risks arising from inadequate or failed internal processes, people and systems, or from external events. The Group faces an elevated operational risk profile given the current economic environment and in the context of taking forward the significant organisational changes required to support the delivery of cost savings and the impact of an on-going organisational voluntary severance 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.

Under the terms of the recapitalisation of the Group by the Irish Government, the Group is 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 in a highly competitive market. Failure by the Group to staff its day-to-day operations appropriately or failure to attract and appropriately develop, motivate and retain highly skilled and qualified personnel could have an adverse effect on the Group's results, financial condition and prospects.

Delivering the overall level of change has placed, and will continue to place, added risk on the organisation, including the challenge to meet tight delivery timelines in the face of competing priorities and resource demands. Negative public or industry opinion can result from the actual, or perceived, manner in which the Group conducts its business activities or from the restructuring of the Group. This could adversely affect the Group's ability to keep and attract customers, the loss of which would adversely affect the Group's results, financial condition and prospects. Similarly, any weakness in the Group's risk controls or loss mitigation actions in respect of operational risk could have a material adverse effect on the Group's results, financial condition and operations.

The Group's risk management strategies and techniques may be unsuccessful

The Group is exposed to a number of material risks. In order to minimise these risks, the Group has implemented a number of risk management strategies. Although the Group invests substantial time and effort in its risk management strategies and techniques, there is a risk that these may fail to fully mitigate the risks in some circumstances, particularly if confronted with risks that were not identified or anticipated.

Some of the Group's measures for managing risk are based upon observation of historical market behaviour. Where this is so, the Group applies statistical techniques to these observations to quantify its risk exposures. If circumstances arise that the Group, in developing its models, did not identify or anticipate, the losses could be greater than expected.

Furthermore, the Group's quantifications of risk do not take all risks into account. If the Group's measures to assess and mitigate risk prove insufficient, the Group may experience material unexpected losses.

There is a risk of litigation arising from the Group's activities

The Group operates in a legal and regulatory environment that exposes it to potentially significant litigation and regulatory risks. Disputes and legal proceedings in which the Group may be involved are subject to many uncertainties, and their outcomes are often difficult to predict, particularly in the early stages of a case or investigation. Adverse regulatory action or adverse judgments in litigation could result in a monetary fine or penalty, adverse monetary judgement or settlement and/or restrictions or limitations on the Group's operations or result in a material adverse effect on the Group's reputation.

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

Notes may not be a suitable investment for all investors

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

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

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

Risks related to the structure of a particular issue of Notes

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

Notes subject to optional redemption by the Issuer

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

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor would generally not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in terms of what other investments might, in the event of redemption of the Notes, be likely to be available at the time of such redemption.

Subordinated Notes subject to redemption for regulatory reasons

Subordinated Notes may be redeemed for regulatory reasons in accordance with Condition 4(d) of the Subordinated Notes upon the occurrence of a Capital Disqualification Event (as defined in Condition 4(d) of the Subordinated Notes). Potential investors should consider reinvestment risk in terms of what other investments might, in the event of regulatory redemption of the Subordinated Notes, be likely to be available at the time of such redemption. In the event of a redemption for regulatory reasons, there can be no assurance that an investor will be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Subordinated Notes being redeemed. In addition, there can be no assurance that the market value of the Subordinated Notes immediately prior to notice of the redemption for regulatory reasons being given will not be higher than the price at which they can be redeemed.

Fixed/Floating Rate Notes

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

Notes issued at a substantial discount or premium

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

The Issuer's obligations under the Subordinated Notes

The Issuer's obligations under the Subordinated Notes will be unsecured and subordinated and will rank junior in priority to the claims of Senior Creditors (as defined in "Terms and Conditions of the Subordinated Notes"). Although Subordinated Notes may pay a higher rate of interest than comparable Notes which are not subordinated, there is a real risk that an investor in Subordinated Notes will lose all or some of his investment should the Issuer become insolvent.

The Central Bank and Credit Institutions (Resolution) Act 2011

The Central Bank and the Minister have a broad range of powers under the Central Bank and Credit Institutions (Resolution) Act 2011 of Ireland (the "Resolution Act") which was signed into law on 20 October 2011 and commenced on 28 October 2011. The Resolution Act sets out a permanent statutory regime comprising of mechanisms available to the Central Bank (in certain circumstances and in some cases subject to court approval) to intervene when "authorised credit institutions" are failing or likely to fail or otherwise in financial difficulty. The provisions of the Resolution Act (for example the provisions in respect of winding up of authorised credit institutions (part 7)) apply to the Issuer currently and the remaining provisions will apply to the Issuer once it ceases to be a "relevant institution" under the Stabilisation Act.

The intervention powers of the Central Bank and under the Resolution Act are similar to those under the BRRD (as described below) including the power to apply to court to give effect to a transfer order, to appoint special management, to petition the court for the orderly winding up of the institution, the power to establish a "Bridge Bank" to temporarily hold some or all of the assets and liabilities of the failing credit institution with a view to their transfer to a third party as soon as practicable. The Minister is also empowered under the

Resolution Act, at the request of the Central Bank, to provide a financial incentive to a proposed transferee by making a payment, or providing a loan or guarantee to such a proposed transferee. The application of any of these mechanisms may serve to limit the Group's operations and could affect the Group's ability to perform obligations owed to creditors.

The Bank Recovery and Resolution Directive

On 6 May 2014, the EU Council adopted a directive establishing a framework for the recovery and resolution of credit institutions and investment firms, known as the Bank Recovery and Resolution Directive ("BRRD"). The BRRD is yet to be published in the Official Journal of the EU and is expected to enter into force before 1 January 2015 (the expected implementation dates for certain provisions are set out below). Member States will be required to adopt legislation to implement the BRRD. These new requirements will result in changes in the regulatory framework for capital and debt instruments of credit institutions.

Amongst other provisions, the BRRD introduces a statutory write-down and conversion power to write down or to convert into equity its relevant capital instruments (which would include Subordinated Notes) if certain conditions are met (the "write-down and conversion power"). The write-down and conversion power would be applicable in particular if the competent authority determines that, unless the write-down and conversion power is applied, the credit institution will no longer be viable or if a decision has been made to provide the credit institution with extraordinary public support without which the credit institution will no longer be viable.

The BRRD also equips the competent authority with the following resolution powers (the "resolution tools") in circumstances where the credit institution is failing or is likely to fail:

- to transfer to an investor shares, other instruments of ownership and/or all specified assets, rights or liabilities of the credit institution (the "sale of business tool"); and/or
- to transfer all or specified assets, rights or liabilities of the credit institution to a bridge institution which is wholly or partially owned by public authorities (the "bridge institution tool"); and/or
- to transfer assets, rights or liabilities to a legal entity which is wholly owned by public authorities for the purpose of sale or otherwise ensuring that the business is wound down in an orderly manner, to be applied in conjunction with another resolution tool (the "asset separation tool"); and/or
- to write down the claims of unsecured creditors of an institution and convert debt to equity (including the Senior Notes), with, in broad terms, the first losses being taken by shareholders and thereafter by subordinated and then senior creditors, with the objective of recapitalising an institution (the "general bail-in tool").

In respect of the write-down and conversion power, which is to be implemented for Additional Tier 1 instruments and Tier 2 instruments with effect from 1 January 2015 and the general bail-in power which is to be implemented by 1 January 2016 at the latest, the competent authority would have the power, upon certain trigger events, to cancel existing shares, to write down eligible liabilities (i.e. own funds instruments and, in the case of the general bail-in tool, other subordinated debt and even senior debt, subject to exceptions in respect of certain liabilities) of a failing credit institution or to convert such eligible liabilities of a failing credit institution into equity at certain rates of conversion representing appropriate compensation to the affected holder for the loss incurred as a result of the write-down and conversion. Where a credit institution meets the conditions for resolution, the competent regulator and/or authority will be required to apply the write-down and conversion power before applying the resolution tools. The write down or conversion will follow the ordinary allocation of losses and ranking in insolvency. Equity has to absorb losses in full before any debt claim is subject to write-down. After shares and other similar instruments, it will first, if necessary, impose losses evenly on holders of subordinated debt and then evenly on senior debt-holders.

Pursuant to the BRRD, any write-down (or conversion) in accordance with the write-down and conversion power will not constitute an event of default under the terms of the relevant instruments. Consequently, any amounts so written down will be irrevocably lost and the holders of such instruments will cease to have any claims thereunder, regardless whether or not the credit institution's financial position is restored. Pursuant to the BRRD, resolution authorities must ensure when applying the resolution tools, that creditors do not incur greater losses than they would have incurred if the credit institution had been wound down in normal insolvency proceedings.

The general bail-in power could be used to impose losses on holders of Senior Notes where the relevant notes mature after 1 January 2016. The Irish government may decide to bring forward the implementation of this power under the BRRD with the result that the general bail-in power may affect Notes which mature prior to 1 January 2016. This could result in holders of Senior Notes losing some or all of their investment. The exercise of any such power or any suggestion or anticipation of such exercise could, therefore, materially adversely affect the value of the Senior Notes.

In addition the BRRD may severely affect the rights of the holders of Subordinated Notes where the relevant notes mature after 1 January 2015, this may result in the loss of the entire investment in the event of non-viability and may have a negative impact on the market value of the Subordinated Notes.

Resettable Notes

In the case of any Subordinated Notes that are Resettable Notes, the rate of interest on such Resettable Notes will be reset by reference to the then prevailing Mid-Swap Rate, as adjusted for any applicable margin, on the reset dates specified in the relevant Final Terms. This is more particularly described in Condition 3(b)(i) of the Subordinated Notes. The reset of the rate of interest in accordance with such provisions may affect the secondary market for and the market value of such Resettable Notes. Following any such reset of the rate of interest applicable to Resettable Notes, the new rate may be lower than the previous rate of interest. Capitalised terms used in this paragraph but not otherwise defined elsewhere in this Base Prospectus shall have the meanings given to such terms in Condition 3(h) (Definitions) of the Subordinated Notes.

Risks related to Notes generally

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

Modification, waivers and substitution

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

The Terms and Conditions of the Subordinated Notes also provide that the Trustee may, without the consent of Noteholders, agree to (i) any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of Notes or (ii) the substitution of another company as principal debtor under any Subordinated Notes in place of the Issuer, in the circumstances described in Condition 9(c) of the Terms and Conditions of the Subordinated Notes.

European Monetary Union

If the United Kingdom joins the European Monetary Union prior to the maturity of the Notes, there is no assurance that this would not adversely affect investors in the Notes. It is possible that prior to the maturity of the Notes the United Kingdom may become a participating Member State and that the euro may become the lawful currency of the United Kingdom. In that event (i) all amounts payable in respect of any Notes denominated in Sterling may become payable in euro; (ii) the law may allow or require such Notes to be

re-denominated into euro and additional measures to be taken in respect of such Notes; and (iii) there may no longer be available published or displayed rates for deposits in Sterling used to determine the rates of interest on such Notes or changes in the way those rates are calculated, quoted and published or displayed. The introduction of the euro could also be accompanied by a volatile interest rate environment, which could adversely affect investors in the Notes.

The Eurozone sovereign debt crisis has led to continuing and increased speculation that one or more Eurozone countries might abandon the euro as its national currency and even, although generally thought of as an extreme circumstance, the possible disappearance of the euro as a currency. There is a great deal of legal uncertainty surrounding these possibilities but it is likely, in the event that Ireland were to abandon the euro as its national currency, that contracts denominated in euro, including the Notes, would be redenominated into whatever currency replaced the euro as the national currency of Ireland with the possibility of consequent foreign exchange risk and the other uncertainties attendant on such an eventuality constituting risks relating to Notes denominated in euro.

European Union Directive on the taxation of savings income

EC Council Directive 2003/48/EC on the taxation of savings income (the “Savings Directive”) requires EU Member States to provide to the tax authorities of other EU Member States details of payments of interest and other similar income paid by a person established within its jurisdiction to (or for the benefit of) an individual resident or certain other types of entity established in that other EU Member State, except that Austria and Luxembourg currently impose a withholding system and this is expected to last for a transitional period (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) unless during such period they elect otherwise. The end of this transitional period depends on the conclusion of certain other agreements relating to the exchange of information with certain other non-EU countries. Luxembourg has announced its intention to elect out of the withholding system in favour of an automatic exchange of information with effect from 1 January 2015. A number of non-EU countries and territories have adopted similar measures to the Savings Directive.

The Council of the EU has adopted a Directive (the “Amending Directive”) which will, when implemented, amend and broaden the scope of the requirements of the Savings Directive described above. The Amending Directive will expand the range of payments covered by the Savings Directive, in particular to include additional types of income payable on securities, and the circumstances in which payments must be reported or paid subject to withholding. For example, payments made to (or for the benefit of) (i) an entity or legal arrangement effectively managed in an EU Member State that is not subject to effective taxation, or (ii) a person, entity or legal arrangement established or effectively managed outside of the EU (and outside any third country or territory that has adopted similar measures to the Savings Directive) which indirectly benefit an individual resident in an EU Member State, may fall within the scope of the Savings Directive, as amended. The Amending Directive requires EU Member States to adopt national legislation necessary to comply with it by 1 January 2016, which legislation must apply from 1 January 2017.

If a payment were to be made or collected through an EU 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 pursuant to the Savings Directive or any other 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, neither the Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax. Furthermore, once the Amending Directive is implemented and takes effect in EU Member States, such withholding may occur in a wider range of circumstances than at present, as explained above. The Issuer is required to maintain a Paying Agent with a specified office in a Member State of the

EU that is not obliged to withhold or deduct tax pursuant to any law implementing the Savings Directive or any other 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 which may mitigate an element of this risk if the Noteholder is able to arrange for payment through such a Paying Agent. However, investors should choose their custodians and intermediaries with care, and provide each custodian and intermediary with any information that may be necessary to enable such persons to make payments free from withholding and in compliance with the Savings Directive, as amended.

Investors who are in any doubt as to their position should consult their professional advisers.

Change of law

The Terms and Conditions of the Notes are based on English law (and to a limited extent, Irish law), in each case in effect as at the date of issue of the relevant Notes. No assurance can be given as to the impact of any possible judicial decision or change to English law or Irish law or administrative practice after the date of issue of the relevant Notes.

Risks related to the market generally.

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

The secondary market generally

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

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Notes in the Specified Currency (as defined in “Terms and Conditions of the Senior Notes” or “Terms and Conditions of the Subordinated Notes”, as the case may be). This presents certain risks relating to currency conversions if an investor’s financial activities are denominated principally in a currency or currency unit (the “Investor’s Currency”) other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor’s Currency) and the risk that authorities with jurisdiction over the Investor’s Currency may impose or modify exchange controls. An appreciation in the value of the Investor’s Currency relative to the Specified Currency would decrease (i) the equivalent yield on the Notes in the Investor’s Currency, (ii) the equivalent value of the principal payable on the Notes in the Investor’s Currency and (iii) the equivalent market value of the Notes in the Investor’s Currency.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Interest rate risks

Investment in Fixed Rate Notes or Resetable Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of Fixed Rate Notes or Resetable Notes, as the case may be.

Credit ratings may not reflect all risks

One or more independent credit rating agencies may assign credit ratings to an issue of Notes. The ratings may not reflect the potential impact of all risks related to structure, market, the additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

The Issuer is exposed to changing methodology by rating agencies

The Issuer is exposed to changes in the rating methodologies applied by rating agencies. Any adverse changes of such methodologies may result in a change in the ratings given to AIB or the Notes which in turn may materially and adversely affect the Issuer's operations or financial condition and capital market standing.

Legal investment considerations may restrict certain investments

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

DOCUMENTS INCORPORATED BY REFERENCE

The following documents shall be incorporated in, and form part of, this Base Prospectus:

- (a) the audited annual consolidated financial statements of the Issuer for each of the financial years ended 31 December 2012 and 31 December 2013, respectively, in each case together with the audit reports thereon, which in each case have been previously published;
- (b) the interim management statement of the Issuer dated 12 May 2014 filed with the Irish Stock Exchange on 12 May 2014;
- (c) the terms and conditions of the Senior Notes as contained in pages 31 to 47 of the base prospectus dated 21 May 2013 in respect of the Programme; and
- (d) circular and notice of the Issuer in connection with the extraordinary general meeting of the Issuer to be held on 19 June 2014 in relation to the proposed capital reorganisation (the “Circular”),

save that any statement contained herein, or in a document all or the relative portion of which is incorporated by reference herein, shall be deemed to be modified or superseded for the purpose of this Base Prospectus to the extent that a statement contained in any such document, all or the relative portion of which is deemed to be incorporated by reference herein, modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Base Prospectus. As regards information contained in the base prospectus dated 21 May 2013 which is not incorporated by reference in this Base Prospectus, such information is not relevant to investors in Notes to be issued on or after the date of this Base Prospectus or is covered elsewhere in this Base Prospectus.

AIB will provide, without charge, to each person to whom a copy of this Base Prospectus has been delivered, upon the written request of any such person, a copy of any or all of the documents which, or portions of which, are incorporated herein by reference. Written requests for such documents should be directed to AIB at its registered office set out at the end of this Base Prospectus.

The documents referred to above are available electronically on AIB’s website via the following links:

http://www.aib.ie/servlet/BlobServer/document.pdf?blobkey=id&blobwhere=1363098966072&blobcol=urlfile&blobtable=AIB_Download&blobheader=application/pdf&blobheadername1=Content-Disposition&blobheadervalue1=document.pdf

http://www.aib.ie/servlet/BlobServer/document.pdf?blobkey=id&blobwhere=1391509734902&blobcol=urlfile&blobtable=AIB_Download&blobheader=application/pdf&blobheadername1=Content-Disposition&blobheadervalue1=document.pdf

http://www.aib.ie/servlet/BlobServer?blobkey=id&blobwhere=1391510990392&blobcol=urlfile&blobtable=AIB_Download&blobheader=application/pdf&blobheadername1=Content-Disposition&blobheadervalue1=document.pdf

http://www.aib.ie/servlet/BlobServer?blobkey=id&blobwhere=1370585867973&blobcol=urlfile&blobtable=AIB_Download&blobheader=application/pdf&blobheadername1=Content-Disposition&blobheadervalue1=document.pdf

http://www.aib.ie/servlet/BlobServer/document.pdf?blobkey=id&blobwhere=1391511677711&blobcol=urlfile&blobtable=AIB_Download&blobheader=application/pdf&blobheadername1=Content-Disposition&blobheadervalue1=document.pdf

SUPPLEMENTARY INFORMATION

If at any time AIB shall be required to prepare a supplement to this Base Prospectus pursuant to Article 16 of the Prospectus Directive, AIB will prepare and make available an appropriate supplement to this Base Prospectus as required by the Central Bank and Article 16 of the Prospectus Directive.

AIB has given an undertaking to the Dealers that if at any time during the duration of the Programme a significant new factor, material mistake or inaccuracy arises or is noted relating to information included in this Base Prospectus which is capable of affecting the assessment by investors of any Notes and whose inclusion would reasonably be expected by them to be found in this Base Prospectus, for the purpose of enabling them to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of AIB, and the rights attaching to such Notes, AIB shall update or prepare an amendment or supplement to this Base Prospectus or publish a replacement base prospectus for use in connection with any subsequent offering of the Notes and shall supply to each Dealer such number of copies of such supplement hereto as such Dealer may reasonably request.

DESCRIPTION OF THE PROGRAMME

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

The Notes will be issued in series (each a “Series”). The issue price, issue date, maturity date, principal amount, interest rate (if any) applicable to any Notes and any other relevant provisions of such Notes will be agreed between AIB and the relevant Dealer(s) at the time of agreement to issue and will be specified in the Final Terms in respect of such Notes. In accordance with the Regulations and the prospectus rules issued by the Central Bank from time to time under Section 51 of the Investment Funds, Companies and Miscellaneous Provisions Act 2005 as amended (the “2005 Act”) (the “Prospectus Rules”), all Final Terms in respect of Listed Notes will be filed with the Central Bank.

Subject as set out herein, this Base Prospectus and any supplement hereto will only be valid for listing Notes up to an aggregate principal amount of €10,000,000,000 (or its equivalent in the other currencies specified herein) outstanding at any one time calculated on the basis specified in the “Terms and Conditions of the Senior Notes” or “Terms and Conditions of the Subordinated Notes”, as the case may be.

TERMS AND CONDITIONS OF THE SENIOR NOTES

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

The Notes are issued pursuant to an amended and restated Agency Agreement dated 9 June 2014 (the “Agency Agreement” as amended or supplemented as at the date of issue of the Notes (the “Issue Date”)), between the Issuer, Citibank, N.A., London Branch as agent (the “Agent” which expression shall include any successor agent) and the other paying agents named in it (together with the Agent and any additional or other paying agents in respect of the Notes from time to time appointed, (the “Paying Agents”)). The initial Calculation Agent (if any) is specified on the Notes. The Noteholders (as defined below), the holders of the interest coupons (the “Coupons”) relating to interest bearing Notes and, where applicable in the case of such Notes, talons for further Coupons (the “Talons”) (the “Couponholders”) are deemed to have notice of all of the provisions of the Agency Agreement applicable to them.

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

Copies of the Agency Agreement are available for inspection free of charge at the specified offices of each of the Paying Agents.

1 Form, Denomination and Title

The Notes are issued in bearer form in the Specified Denomination(s) (as defined hereon) and shall be serially numbered. Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination. The Notes are issued with Coupons (and, where appropriate, a Talon) attached, save in the case of Zero Coupon Notes in which case references to interest (other than in relation to interest due after the Maturity Date), Coupons and Talons in these Conditions are not applicable.

This Note is a Fixed Rate Note, a Floating Rate Note, or a Zero Coupon Note.

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

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

2 Status

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

legislation, at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations.

3 Interest and other Calculations

(a) Interest on the Notes

(i) Interest Payment Dates (Floating Rate Notes)

Each Floating Rate Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 3(d). Such Interest Payment Date(s) is/are either shown hereon as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are shown hereon, Interest Payment Date shall mean each date which falls the number of months or other period shown hereon as the Specified Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

(ii) Business Day Convention

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

(iii) Interest on Fixed Rate Notes

Each Fixed Rate Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 3(d).

(iv) Rate of Interest for Floating Rate Notes

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

(A) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be

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

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

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

(B) Screen Rate Determination for Floating Rate Notes

- (x) Where Screen Rate Determination is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period will, subject as provided below, be either:
 - (i) the offered quotation; or
 - (ii) the arithmetic mean of the offered quotations,

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

Interest for such Interest Period shall be the arithmetic mean of such offered quotations as determined by the Calculation Agent.

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

(C) Linear Interpolation

Where Linear Interpolation is specified hereon as applicable in respect of an Interest Accrual Period, the Rate of Interest for such Interest Accrual Period shall be calculated by the Calculation Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified hereon as applicable) or the relevant Floating Rate Option (where ISDA Determination is specified hereon as applicable), one of which shall be determined as if the Applicable Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Accrual Period and the other of which shall be determined as if the Applicable Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Accrual Period, provided however, that if there is no such rate available for the period of time next shorter or, as the case may be,

next longer, then the Calculation Agent shall determine such rate at such time and by reference to such sources as it determines appropriate.

“Applicable Maturity” means: (a) in relation to Screen Rate Determination, the period of time designated in the Reference Rate, and (b) in relation to ISDA Determination, the Designated Maturity.

(b) Zero Coupon Notes

Where a Note, the Interest Basis of which is specified to be zero coupon, is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note. As from the Maturity Date, the Rate of Interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as described in Condition 4(d)).

(c) Maximum/Minimum Rates of Interest and Redemption Amounts and Rounding

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

(d) Calculations

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

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

The Calculation Agent shall, as soon as practicable on such date as it may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, determine such rate and calculate the Interest Amounts for the relevant Interest Accrual Period, calculate the Final Redemption

Amount, Early Redemption Amount or Optional Redemption Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Accrual Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount to be notified to the Agent, the Issuer, each of the Paying Agents, the Noteholders and, if the Notes are listed on a stock exchange and such exchange so requires, such exchange as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of a Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. The Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 8, the accrued interest and the Rate of Interest payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance with this Condition 3 but no publication of the Rate of Interest or the Interest Amount so calculated need be made. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties.

(f) Definitions

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

“Business Day” means:

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

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

- (i) if “Actual/Actual” or “Actual/Actual – ISDA” is specified hereon, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (ii) if “Actual/365 (Fixed)” is specified hereon, the actual number of days in the Calculation Period divided by 365;
- (iii) if “Actual/360” is specified hereon, the actual number of days in the Calculation Period divided by 360;

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

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

where:

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

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

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

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

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

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

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

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

where:

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

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

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

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

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

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

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

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

where:

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

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

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

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

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

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

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

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

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

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

“Interest Accrual Period” means the period from (and including) the Interest Commencement Date to (but excluding) the first Interest Period Date and each successive period beginning from (and including) an Interest Period Date to (but excluding) the next succeeding Interest Period Date.

“Interest Amount” means:

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

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

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

“Interest Period” means the period 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.

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

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

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

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

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

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

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

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

(g) ***Calculation Agent***

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

4 Redemption, Purchase and Options

(a) ***Final redemption***

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

(b) ***Redemption for taxation reasons***

If, as a result of any amendment to or change in the laws or regulations of Ireland and/or, in the case of Notes issued through the London branch of the Issuer, the United Kingdom, or, in any case, any political subdivision thereof or any authority or agency therein or thereof having power to tax or in the officially published application or interpretation of any such laws or regulations which becomes effective on or after the Issue Date, the Issuer would, on the occasion of the next payment date in respect of the Notes, be required to pay additional amounts as provided in Condition 6 the Issuer may, at its option, on any Interest Payment Date (if this Note is a Floating Rate Note) or at any time (if this Note is not a Floating Rate Note) on giving not more than 45 nor less than 30 days' notice to the Noteholders (which notice shall be irrevocable) in accordance with Condition 12 redeem all, but not some only, of the Notes at their Early Redemption Amount (as described in Condition 4(d)) together with interest accrued to the date fixed for redemption, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due. Prior to the publication of any notice of redemption pursuant to this Condition 4(b), the Issuer shall deliver to the Agent a certificate signed by two persons each of whom is a Director of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of the facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred.

(c) ***Purchases***

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

(d) ***Early redemption***

(i) ***Zero Coupon Notes***

- (A) The Early Redemption Amount payable in respect of any Zero Coupon Note, upon redemption of such Note pursuant to paragraph (b) above or upon it becoming due and

payable as provided in Condition 8 shall be the Amortised Face Amount (calculated as provided below) of such Note unless otherwise specified hereon.

- (B) Subject to the provisions of sub-paragraph (C) below, the Amortised Face Amount of any such Note shall be the scheduled Final Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown hereon, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually.
- (C) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 4(b) or upon it becoming due and payable as provided in Condition 8 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as described in sub-paragraph (B) above, except that such sub-paragraph shall have effect as though the reference therein to the date on which the Note becomes due and payable were replaced by a reference to the Relevant Date. The calculation of the Amortised Face Amount in accordance with this paragraph (i) will continue to be made (both before and after judgment), until the Relevant Date unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount of such Note together with any interest which may accrue in accordance with Condition 3(b).

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

(ii) *Other Notes*

The Early Redemption Amount payable in respect of any Note (other than Notes described in paragraph (i) above), upon redemption of such Note pursuant to Condition 4(b) or upon it becoming due and payable as provided in Condition 8, shall be the Final Redemption Amount unless otherwise specified hereon.

(e) ***Redemption at the option of the Issuer***

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

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

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

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

(f) *Redemption at the option of Noteholders*

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

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

(g) *Cancellation*

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

5 Payments and Talons

(a) *Payments*

Payments of principal and interest in respect of Notes will, subject as mentioned below, be made against presentation and surrender of the relevant Notes (as specified in Condition 5(e)(v)) or Coupons (in the case of interest, save as specified in Condition 5(e)(v)), as the case may be, at the specified office of any Paying Agent outside the United States by a cheque payable in the relevant currency drawn on, or, at the option of the holders, by transfer to an account denominated in such currency with, a bank in the principal financial centre for such currency or, in the case of Euro, in a city in which banks have access to the TARGET System.

(b) *Payments in the United States*

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

(c) *Payments subject to law etc.*

All payments will be subject in all cases to any other applicable fiscal or other laws and regulations in any jurisdiction, including in the place of payment, or other laws and regulations to which the Issuer agrees to be subject and the Issuer will not be liable for any taxes or duties of whatever nature imposed or levied by such laws, regulations or agreements, but without prejudice to the provisions of Condition 6. No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

(d) *Appointment of Agents*

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

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

Notice of any such change or any change of any specified office will promptly be given to the Noteholders in accordance with Condition 12.

(e) *Unmatured Coupons and unexchanged Talons*

- (i) Upon the due date for redemption of Notes, Notes which comprise Fixed Rate Notes should be surrendered for payment together with all unexpired Coupons (if any) relating thereto, failing which an amount equal to the face value of each missing unexpired Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unexpired Coupon which the sum of principal so paid bears to the total principal due) will be deducted from the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, due for payment. Any amount so deducted will be paid in the manner mentioned above against surrender of such missing Coupon within a period of 10 years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 7).
- (ii) Upon the due date for redemption of any Note comprising a Floating Rate Note, unexpired Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.
- (iii) Upon the due date for redemption of any Note, any unexchanged Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.
- (iv) Where any Note which provides that the relative Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all unexpired Coupons and any unexchanged Talon relating to it, and where any Note is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provisions of such indemnity as the Issuer may require.
- (v) If the due date for redemption of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if

appropriate) of the relevant Note. Interest accrued on a Note which only bears interest after its Maturity Date shall be payable on redemption of such Note against presentation thereof.

(f) Talons

On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons which may have become void pursuant to Condition 7).

(g) Non-Business Days

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

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

6 Taxation

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

- (i) presented for payment by or on behalf of a holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of his having some connection with Ireland and/or, in the case of Notes issued through the London branch of the Issuer, the United Kingdom, other than the mere holding of such Note or Coupon or the receipt of the relevant payment in respect thereof; or
- (ii) presented for payment more than 30 days after the Relevant Date, except to the extent that the holder thereof would have been entitled to such additional amounts on presenting the same for payment on such 30th day; or
- (iii) presented by, or by a third party on behalf of, a holder who could lawfully avoid (but has not so avoided) such deduction or withholding by complying or procuring that any third party complies with any statutory requirements or by making or procuring that any third party makes a declaration of non-residence or other similar claim for exemption to any tax authority in the place where the relevant Note or Coupon is presented for payment; or

- (iv) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive; or
- (v) presented for payment by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Note and/or Coupon to another Paying Agent in a Member State of the EU.

As used in these Conditions, “Relevant Date” in respect of any Note or Coupon means the date on which payment in respect thereof first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date on which notice is duly given to the Noteholders in accordance with Condition 12 that, upon further presentation of the Note or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation. References in these Conditions to (i) “principal” shall be deemed to include any premium payable in respect of the Notes, all Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts, Amortised Face Amounts and all other amounts in the nature of principal payable pursuant to Condition 4 or any amendment or supplement to it, (ii) “interest” shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 3 or any amendment or supplement to it and (iii) “principal” and/or “interest” shall be deemed to include any additional amounts which may be payable under this Condition.

For the avoidance of doubt, payments will be subject in all cases to any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the “Code”) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code (or any regulations thereunder or official interpretations thereof) or an intergovernmental agreement between the United States and Ireland or the United Kingdom, respectively, facilitating the implementation thereof (or any law implementing such an intergovernmental agreement). Any such amounts withheld or deducted will be treated as paid for all purposes under the Notes, and no additional amounts will be paid on the Notes with respect to any such withholding or deduction.

7 Prescription

Claims against the Issuer for payment in respect of the Notes and Coupons (which, for this purpose shall not include Talons) shall be prescribed and become void unless made within 10 years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect thereof.

8 Events of Default

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

- (a) **Non-Payment:** default is made for more than 15 days (in the case of interest) or seven days (in the case of principal) after the due date for payment of interest or principal in respect of any of the Notes provided that it shall not be an Event of Default if the non-payment is due solely to administrative error (whether by the Issuer or a bank involved in transferring funds to the Agent) and payment is made within three Business Days in London after notice of that non-payment has been given to the Agent by any Noteholder; or

- (b) **Breach of Other Obligations:** the Issuer does not perform or comply with any one or more of its other obligations in the Notes which default is incapable of remedy or is not remedied within 60 days after notice of such default shall have been given to the Agent at its specified office by any Noteholder; or
- (c) **Enforcement Proceedings:** a distress, attachment, execution or other legal process is levied, enforced or sued out on or against any material part of the property, assets or revenues of the Issuer or any of its Material Subsidiaries in respect of a debt of more than €10,000,000 (or its equivalent in another currency) and is not discharged or stayed within 60 days; or
- (d) **Security Enforced:** any mortgage, charge, pledge, lien or other encumbrance, present or future, created or assumed by the Issuer or any of its Material Subsidiaries becomes enforceable and any step is taken to enforce it in respect of a debt of more than €10,000,000 (or its equivalent in another currency) (including the taking of possession or the appointment of a receiver, manager or other similar person) and such step is not discharged or stayed within 30 days; or
- (e) **Insolvency:** the Issuer or any of its Material Subsidiaries is (or is, or could be, deemed by law or a court to be) insolvent or is unable or deemed to be unable to pay its debts (within the meaning of section 214 of the Companies Act 1963 of Ireland as amended by section 123 of the Companies Act 1990 of Ireland or section 28 of the Central Bank Act 1971 of Ireland as amended by the Central Bank (Supervision and Enforcement) Act 2013 of Ireland), as the same may be amended, modified or re-enacted, or admits in writing its inability to pay its debts as they mature; or
- (f) **Winding-up:** an order is made or an effective resolution passed for the winding-up or dissolution of the Issuer or any of its Material Subsidiaries, or the Issuer ceases or threatens to cease to carry on all or a material part of its business or operations, except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation (i) on terms approved by an Extraordinary Resolution (as defined in the Agency Agreement) of the Noteholders, or (ii) in the case of a winding-up or dissolution of a Material Subsidiary, whereby the undertaking and assets of the Material Subsidiary are transferred to or otherwise vested in the Issuer or one or more of its Subsidiaries.

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

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

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

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

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

9 Meetings of Noteholders and Modifications

(a) Meetings of Noteholders

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

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

(b) Modification of Agency Agreement

The Issuer shall only permit any modification of, or any waiver or authorisation of any breach or proposed breach of or any failure to comply with, the Agency Agreement, if to do so could not reasonably be expected to be prejudicial to the interests of the Noteholders.

10 Replacement of Notes, Coupons and Talons

If a Note, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed it may be replaced, subject to applicable laws and stock exchange regulations, at the specified office of the Agent or such other Paying Agent as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders in accordance with Condition 12 on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Note, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there will be paid to the Issuer on demand the amount payable by the Issuer in respect of such Notes, Coupons or further Coupons) and otherwise as the Issuer may require. Mutilated or defaced Notes, Coupons or Talons must be surrendered before replacements will be issued.

11 Further Issues

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

12 Notices

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

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

13 Contracts (Rights of Third Parties) Act 1999

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

14 Governing Law and Jurisdiction

(a) *Governing law*

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

(b) *Jurisdiction*

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

(c) *Service of process*

The Issuer agrees that the process by which any proceedings in England are begun may be served on it by being delivered to the London branch of the Issuer at 1st Floor, St. Helen’s, Undershaft, London EC3A 8AB or at any other address for the time being at which process may be served on it in accordance with Part XXIII of the Companies Act 1985 (as modified or re-enacted from time to time). If for any reason service of process cannot be made in accordance with the above, the Issuer must immediately appoint an agent for service of process and notify the Noteholders of such appointment.

The Issuer agrees that failure by a process agent to notify it of any process will not invalidate the relevant proceedings. This Condition 14(c) does not affect any other method of service allowed by law.

TERMS AND CONDITIONS OF THE SUBORDINATED NOTES

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

The Notes are constituted by an amended and restated Trust Deed dated 9 June 2014 (the “Trust Deed” as amended or supplemented as at the date of issue of the Notes (the “Issue Date”) between the Issuer and Citibank, N.A., London Branch (the “Trustee”, which expression shall include all persons for the time being the trustee or trustees under the Trust Deed) as trustee for the Noteholders (as defined below). These terms and conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Notes and the Coupons and Talons (as defined below). Copies of the Trust Deed and the amended and restated Agency Agreement (as amended or supplemented from time to time, the “Agency Agreement”) dated 9 June 2014 between the Issuer, the Trustee, Citibank N.A., London Branch, as agent (the “Agent” which expression shall include any successor agent) and the other paying agents named in it (together with the Agent and any additional or other paying agents in respect of the Notes from time to time appointed, the “Paying Agents”) are available for inspection free of charge at the London office of the Trustee, currently at 13th Floor Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB and at the specified offices of each of the Paying Agents. The initial Calculation Agent (if any) is specified on the Notes. The Noteholders, the holders of the interest coupons (the “Coupons”) relating to interest bearing Notes and, where applicable in the case of such Notes, talons for further Coupons (the “Talons”) (the “Couponholders”) are entitled to the benefit of, are bound by, and are deemed to have notice of all the provisions of the Trust Deed and are deemed to have notice of all of the provisions of the Agency Agreement applicable to them.

1 Form, Denomination and Title

The Notes are issued in bearer form in the Specified Denomination(s) (as defined hereon) and shall be serially numbered. Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination.

This Note is a Fixed Rate Note, a Resettable Note, a Floating Rate Note, or a Zero Coupon Note.

The Notes are issued with Coupons (and, where appropriate, a Talon) attached, save in the case of Zero Coupon Notes in which case references to interest (other than in relation to interest due after the Maturity Date), Coupons and Talons in these Conditions are not applicable.

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

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

2 Status and Subordination

(a) Status

The Notes and Coupons constitute unsecured obligations of the Issuer, subordinated in the manner set out in paragraph (b) below and shall at all times rank *pari passu* without any preference among themselves.

(b) Subordination

This Condition 2(b) shall apply and the rights and claims against the Issuer of the holders of the Notes and Coupons and of the Trustee in respect of principal of, and interest on, the Notes will be subordinated, in the event of the winding-up of the Issuer, to the claims of Senior Creditors (as defined below), so that amounts due and payable under such Notes and Coupons shall be due and payable by the Issuer in such winding-up only if, and to the extent that, the Issuer could make payment thereof rateably with the claims of all other creditors of the Issuer ranking equally with the Notes and still be solvent immediately thereafter. For this purpose, the Issuer shall be considered to be solvent if it is able to pay its debts to Senior Creditors in full.

A report in writing as to the solvency of the Issuer by its liquidator in winding up shall, in the absence of proven error, be treated and accepted by the Issuer, the Trustee and the holders of the Notes and Coupons as correct and sufficient evidence thereof.

“Senior Creditors” means all of the creditors of the Issuer who are depositors or other unsubordinated creditors of the Issuer.

The subordination provisions apply to amounts payable under the Notes and Coupons and nothing contained therein or in the Trust Deed shall affect or prejudice any claim by the Trustee against the Issuer in respect of the costs, charges, expenses, liabilities or remuneration of the Trustee.

(c) Set-off

Subject to applicable law, no holder of a Note, or a Coupon relating thereto, may exercise or claim any right of set-off in respect of any amount owed to it by the Issuer arising under or in connection with the Notes or the Coupons relating thereto and each holder of a Note or a Coupon relating thereto shall, by virtue of his subscription, purchase, or holding of any such Note or Coupon, be deemed to have waived all such rights of set-off.

3 Interest and Other Calculations

(a) Interest on Notes

(i) Interest Payment Dates (Floating Rate Notes)

Each Floating Rate Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 3(e). Such Interest Payment Date(s) is/are either shown hereon as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are shown hereon, Interest Payment Date shall mean each date which falls the number of months or other period shown hereon as the Specified Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

(ii) *Business Day Convention*

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

(iii) *Rate of Interest for Fixed Rate Notes*

Each Fixed Rate Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 3(e).

(iv) *Rate of Interest for Floating Rate Notes*

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

(A) *ISDA Determination for Floating Rate Notes*

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

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

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

(B) Screen Rate Determination for Floating Rate Notes

- (x) Where Screen Rate Determination is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period will, subject as provided below, be either:
- (1) the offered quotation; or
 - (2) the arithmetic mean of the offered quotations,
(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at 11.00 a.m. (London time in the case of London Interbank Offered Rate “LIBOR” or Brussels time in the case of Euro Interbank Offered Rate “EURIBOR”) on the Interest Determination Date in question as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean of such offered quotations.
- (y) If the Relevant Screen Page is not available or if sub-paragraph (x)(1) above applies and no such offered quotation appears on the Relevant Screen Page or if sub-paragraph (x)(2) above applies and fewer than three such offered quotations appear on the Relevant Screen Page, in each case at the time specified above, subject as provided below, the Calculation Agent shall request, if the Reference Rate is LIBOR, the principal London office of each of the Reference Banks or, if the Reference Rate is EURIBOR, the principal Euro-zone office of each of the Reference Banks, to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time), or if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Period shall be the arithmetic mean of such offered quotations as determined by the Calculation Agent.
- (z) If paragraph (y) above applies and the Calculation Agent determines that fewer than two Reference Banks are providing offered quotations, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market, as the case may be, or, if fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the offered rate for

deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time), on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Trustee and the Issuer suitable for such purpose) informs the Calculation Agent it is quoting to leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market, as the case may be, provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Accrual Period, in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Accrual Period).

(C) **Linear Interpolation**

Where Linear Interpolation is specified hereon as applicable in respect of an Interest Accrual Period, the Rate of Interest for such Interest Accrual Period shall be calculated by the Calculation Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified hereon as applicable) or the relevant Floating Rate Option (where ISDA Determination is specified hereon as applicable), one of which shall be determined as if the Applicable Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Accrual Period and the other of which shall be determined as if the Applicable Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Accrual Period, provided however, that if there is no such rate available for the period of time next shorter or, as the case may be, next longer, then the Calculation Agent shall determine such rate at such time and by reference to such sources as it determines appropriate.

“Applicable Maturity” means: (a) in relation to Screen Rate Determination, the period of time designated in the Reference Rate, and (b) in relation to ISDA Determination, the Designated Maturity.

(b) Resettable Notes

- (i) Each Resettable Note bears interest on its outstanding amount:
 - (A) from (and including) the Interest Commencement Date until (but excluding) the First Resettable Note Reset Date at the Initial Rate of Interest;
 - (B) from (and including) the First Resettable Note Reset Date to (but excluding) the Second Resettable Note Reset Date or, if no such Second Resettable Note Reset Date is specified hereon, the Maturity Date, at the First Reset Rate of Interest; and

(C) for each Subsequent Reset Period thereafter (if any), at the relevant Rate of Interest.

Interest will be payable in arrear on each Resettable Note Interest Payment Date and on the date specified in the relevant Final Terms as the Maturity Date.

(ii) *Fallback Provisions for Resettable Notes*

If on any Reset Determination Date the Relevant Screen Page is not available or the Mid-Swap Rate does not appear on the Relevant Screen Page, the Calculation Agent shall request each of the Reference Banks to provide the Calculation Agent with its Mid-Market Swap Rate Quotation as at approximately 11.00 a.m. in the principal financial centre of the Specified Currency on the Reset Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with Mid-Market Swap Rate Quotations, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest (as applicable) for the relevant Reset Period shall be the sum of the arithmetic mean (rounded, if necessary, to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards) of the relevant Mid-Market Swap Rate Quotations and the First Margin or Subsequent Margin (as applicable), all as determined by the Calculation Agent.

If on any Reset Determination Date only one or none of the Reference Banks provides the Calculation Agent with a Mid-Market Swap Rate Quotation as provided in the foregoing provisions of this Condition 3(b)(ii), the First Reset Rate of Interest or the Subsequent Reset Rate of Interest (as applicable) shall be determined to be the rate of interest as at the last preceding Resettable Note Reset Date or, in the case of the first Reset Determination Date, the First Reset Rate of Interest shall be the Initial Rate of Interest.

(c) *Zero Coupon Notes*

Where a Note the Interest Basis of which is specified to be zero coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note. As from the Maturity Date, the Rate of Interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as described in Condition 4(f)(i)).

(d) *Maximum/Minimum Rates of Interest and Redemption Amounts and Rounding*

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

(e) ***Calculations***

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

(f) ***Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Early Redemption Amounts and Optional Redemption Amounts***

The Calculation Agent shall, as soon as practicable on each Interest Determination Date, or (if applicable), Reset Determination Date or such other time on such date as it may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, determine such rate and calculate the Interest Amounts for the relevant Interest Accrual Period, calculate the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Accrual Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount to be notified to the Agent, the Issuer, the Trustee, each of the Paying Agents, the Noteholders and, if the Notes are listed on a stock exchange and such exchange so requires, such exchange as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of a Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. The Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made with the consent of the Trustee by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 8, the accrued interest and the Rate of Interest payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Interest or the Interest Amount so calculated need be made unless the Trustee otherwise requires. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties.

(g) ***Determination or calculation by Trustee***

If the Calculation Agent does not at any time for any reason so determine any Rate of Interest, Interest Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, the Trustee shall do so and such determination or calculation shall be deemed to have been made by the Calculation Agent. In doing so, the Trustee shall apply the foregoing provisions of this Condition, 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) Definitions

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

“Business Day” means:

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

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

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

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

where:

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

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

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

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

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

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

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

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

where:

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

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

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

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

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

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

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

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

where:

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

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

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

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

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

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

- (vii) if “Actual/Actual – ICMA” is specified hereon, (a) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the

Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and (b) if the Calculation Period is longer than one Determination Period, the sum of: (x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and (y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year

where:

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

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

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

“First Margin” means the margin specified hereon.

“First Resettable Note Reset Date” means the date specified hereon, provided, however, that if the date specified hereon is not a Business Day, then such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day.

“First Reset Period” means the period from (and including) the First Resettable Note Reset Date to (but excluding) the Second Resettable Note Reset Date or, if no such Second Resettable Note Reset Date is specified hereon, the Maturity Date.

“First Reset Rate of Interest” means, subject to Condition 3(b)(ii), the rate of interest determined by the Calculation Agent on the relevant Reset Determination Date as the sum of the relevant Mid-Swap Rate plus the First Margin.

“Initial Rate of Interest” means the initial rate of interest per annum specified hereon.

“Interest Accrual Period” means the period from (and including) the Interest Commencement Date to (but excluding) the first Interest Period Date and each successive period beginning from (and including) an Interest Period Date and to (but excluding) the next succeeding Interest Period Date.

“Interest Amount” means:

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

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

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

“Interest Period” means 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.

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

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

“Mid-Market Swap Rate” means for any Reset Period the mean of the bid and offered rates for the fixed leg payable with a frequency equivalent to the frequency with which scheduled interest payments are payable on the Notes during the relevant Reset Period (calculated on the basis of the Day Count Fraction specified hereon as determined by the Calculation Agent) of a fixed-for-floating interest rate swap transaction in the Specified Currency which transaction (i) has a term equal to the relevant Reset Period and commencing on the relevant Resettable Note Reset Date, (ii) is in an amount that is representative for a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the swap market and (iii) has a floating leg based on the Mid-Swap Floating Leg Benchmark Rate for the Mid-Swap Maturity (as specified hereon) (calculated on the basis of the Day Count Fraction specified in the relevant Final Terms as determined by the Calculation Agent).

“Mid-Market Swap Rate Quotation” means a quotation (expressed as a percentage rate per annum) for the relevant Mid-Market Swap Rate.

“Mid-Swap Floating Leg Benchmark Rate” means:

- (i) where the Specified Currency is a currency other than euro, LIBOR; and
- (ii) where the Specified Currency is euro, EURIBOR.

“Mid-Swap Rate” means, in relation to a Reset Determination Date and subject to Condition 3(b)(ii) below, either:

- (i) if Single Mid-Swap Rate is specified hereon, the rate for swaps in the Specified Currency:
 - (A) with a term equal to the relevant Reset Period; and
 - (B) commencing on the relevant Resettable Note Reset Date, which appears on the Relevant Screen Page; or
- (ii) if Mean Mid-Swap Rate is specified hereon, the arithmetic mean (expressed as a percentage rate per annum and rounded, if necessary, to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards) of the bid and offered swap rate quotations for swaps in the Specified Currency:
 - (A) with a term equal to the relevant Reset Period; and
 - (B) commencing on the relevant Resettable Note Reset Date, which appears on the Relevant Screen Page,

in either case, as at approximately 11.00 a.m. in the principal financial centre of the Specified Currency on such Reset Determination Date, all as determined by the Calculation Agent.

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

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

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

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

“Reset Determination Date” means, in respect of the First Reset Period, the second Business Day prior to the First Resettable Note Reset Date, in respect of the first Subsequent Reset Period, the second Business Day prior to the Second Resettable Note Reset Date and, in respect of each Reset Period thereafter, the second Business Day prior to the first day of each such Reset Period.

“Resettable Note Reset Date” means the First Resettable Note Reset Date, the Second Resettable Note Reset Date and every Subsequent Resettable Note Reset Date as may be specified hereon; provided, however, that if the date specified in the relevant Final Terms is not a Business Day, then such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day.

“Reset Period” means the First Reset Period or a Subsequent Reset Period.

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

“Subsequent Margin” means the margin(s) specified hereon.

“Second Resettable Note Reset Date” means the date specified hereon; provided, however, that if the date specified hereon is not a Business Day, then such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day;

“Subsequent Reset Period” means the period from (and including) the Second Resettable Note Reset Date to (but excluding) the next Resettable Note Reset Date, and each successive period from (and including) a Resettable Note Reset Date to (but excluding) the next succeeding Resettable Note Reset Date;

“Subsequent Reset Rate of Interest” means, in respect of any Subsequent Reset Period and subject to Condition 3(b)(ii), the rate of interest being determined by the Calculation Agent on the relevant Reset Determination Date as the sum of the relevant Mid-Swap Rate plus the applicable Subsequent Margin; and

“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.

(i) Calculation Agents

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

4 Redemption, Purchase and Options

(a) Final Redemption

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

(b) Redemption for taxation reasons

Subject to the final paragraph below and Condition 4(h), if the Issuer at any time satisfies the Trustee that, as a result of any amendment to or change in the laws or regulations of Ireland and/or, in the case of Notes issued through the London branch of the Issuer, the United Kingdom or, in either case, any political subdivision thereof or any authority or agency therein or thereof having power to tax or in the officially published application or interpretation or administration of any such laws or regulations which becomes effective on or after the Issue Date, (i) the Issuer would, on the occasion of the next payment date in respect of the Notes, be required to pay additional amounts as provided in Condition 6, or (ii) any relief from tax in respect of interest paid on the Notes would be withdrawn by Ireland and/or (in the case of Notes issued through the London Branch of the Issuer) the United Kingdom or (iii) any payment of interest would be treated as a distribution by Ireland and/or (in the case of Notes issued through the London Branch of the Issuer) the United Kingdom (a "Tax Event"), the Issuer may, at its option, on any Interest Payment Date (if this Note is a Floating Rate Note) or at any time (if this Note is not a Floating Rate Note) on giving not more than 45 nor less than 30 days' notice to the Noteholders (which notice shall be irrevocable) in accordance with Condition 12 redeem all, but not some only, of the Notes at their Early Redemption Amount as specified hereon together with interest accrued to the date fixed for redemption provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due. Prior to the publication of any notice of redemption pursuant to this Condition 4(b), the Issuer shall deliver to the Trustee a certificate signed by two persons each of whom is a Director of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of the facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and the Trustee shall be entitled to accept such certificate as sufficient evidence of the satisfaction of the condition precedent referred to above, in which event it shall be conclusive and binding on the holders of the Notes and Coupons.

This Condition shall only apply where the Financial Regulator has granted permission and (i) where the Issuer demonstrates to the satisfaction of the Financial Regulator that the circumstances that entitle

the Issuer to exercise such right of redemption were not reasonably foreseeable at the Issue Date of the first tranche of Notes and (ii) where the relevant changes in the tax treatment are material.

(c) Purchases

Subject to Condition 4(h), the Issuer and any of its subsidiaries may at any time purchase Notes (provided that all unmatured Coupons and unexchanged Talons appertaining thereto are attached or surrendered therewith) in the open market or otherwise at any price.

(d) Redemption for Regulatory Reasons

Subject to the final paragraph below and Condition 4(h), upon the occurrence of a Capital Disqualification Event, the Issuer may, having given:

- (i) not less than 15 nor more than 30 days' notice to the Noteholders in accordance with Condition 12; and
- (ii) prior notice to the Trustee before the giving of the notice referred to in (i),

(which notices shall be irrevocable), redeem all (but not some only) of the Notes then outstanding at any time at the Early Redemption Amount(s) specified hereon together with interest accrued to (but excluding) the relevant date fixed for redemption.

This Condition shall only apply where the Financial Regulator has granted permission and (i) where the Financial Regulator considers the Capital Disqualification Event to be sufficiently certain and (ii) where the Issuer demonstrates to the satisfaction of the Financial Regulator that the Capital Disqualification Event was not reasonably foreseeable at the Issue Date of the first tranche of Notes.

(e) Redemption at the Option of the Issuer

Subject to Condition 4(h), if Call Option is specified on the Notes, the Issuer may, at its sole discretion, on giving not less than 15 nor more than 30 days' irrevocable notice to the Noteholders (or such other notice period as may be specified on the Notes) redeem all or, if so provided, some of the Notes on any Optional Redemption Date. Any such redemption of Notes shall be at their Optional Redemption Amount together with interest accrued to the date fixed for redemption. Any such redemption or exercise must relate to Notes of a nominal amount at least equal to the Minimum Redemption Amount to be redeemed specified hereon and no greater than the Maximum Redemption Amount to be redeemed specified hereon.

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

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

(f) Early Redemption

(i) Zero Coupon Notes

- (A) The Early Redemption Amount payable in respect of any Zero Coupon Note, upon redemption of such Note pursuant to Condition 4(b) or upon it becoming due and payable as provided in Condition 8 shall be the Amortised Face Amount (calculated as provided below) of such Note unless otherwise specified hereon.

- (B) Subject to the provisions of sub-paragraph (C) below, the Amortised Face Amount of any such Note shall be the scheduled Final Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown hereon, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually.
- (C) If the Early Redemption Amount payable in respect of such Note upon its redemption pursuant to Condition 4(b) or upon it becoming due and payable as provided in Condition 8 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as described in sub-paragraph (B) above, except that such sub-paragraph shall have effect as though the date on which the Note becomes due and payable were the Relevant Date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph shall continue to be made (both before and after judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount of such Note on the Maturity Date together with any interest that may accrue in accordance with Condition 3(b).

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

(ii) *Other Notes*

The Early Redemption Amount payable in respect of any Note (other than Notes described in (i) above), upon redemption of such Note pursuant to Condition 4(b) or Condition 4(d) or upon it becoming due and payable as provided in Condition 8, shall be the Final Redemption Amount unless otherwise specified hereon.

(g) ***Cancellation***

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

(h) ***Conditions to Redemption***

In addition to the specific requirements set out in Condition 4(b) and Condition 4(d) above, any redemption or purchase of the Notes in accordance with Condition 4(b), (c), (d) or (e) is subject to the Issuer receiving (to the extent required by applicable law) the consent of the Financial Regulator. Any redemption or purchase of the Notes in accordance with Condition 4(b), (c), (d) or (e) is also subject to:

- (i) the Issuer having demonstrated to the satisfaction of the Financial Regulator that it is and, immediately following the redemption or purchase, shall be in compliance with the minimum capital requirements as determined by the Financial Regulator or it has satisfied such other redemption requirements as may be required by the Applicable Regulatory Capital Requirements from time to time; and
- (ii) only in the case of a redemption occurring in respect of a Tax Event, the Issuer having made available to the Noteholders and the Trustee a copy of an opinion of an independent nationally

recognised law firm or other tax adviser in Ireland experienced in such matters that a Tax Event has occurred and is continuing.

Prior to the publication of any notice of early redemption pursuant to this Condition 4 (other than redemption pursuant to Condition 4(e)), the Issuer shall deliver to the Trustee a certificate signed by any two directors of the Issuer stating that the relevant requirement or circumstance giving rise to the right to redeem is satisfied. The Trustee shall be entitled, without liability to any person, to accept such certificate (together with any accompanying opinion as referred to in Condition 4(h)(ii)) without any further inquiry as sufficient evidence of the satisfaction of the relevant conditions precedent, in which event it shall be conclusive and binding on the Trustee and the Noteholders.

In this Condition:

“Applicable Regulatory Capital Requirements” means, at any time, the capital adequacy requirements of the Financial Regulator, or any other regulation, directive or other binding rules, standards or decisions adopted by the institutions of the EU (being the regulatory capital rules applicable to the Issuer at the relevant time, other than the rules in force on the Issue Date).

“Capital Disqualification Event” is deemed to occur if the Issuer and the Financial Regulator determine that for any reason the Notes are fully excluded from the Issuer’s Tier 2 Capital within the meaning and for the purposes of the Applicable Regulatory Capital Requirements.

“CRR” means Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012, as amended or replaced from time to time.

“Financial Regulator” means the Central Bank of Ireland or any successor or replacement thereto, or other authority having primary responsibility for the prudential oversight and supervision of the Issuer.

“Tier 2 Capital” means capital which is treated as a constituent of Tier 2 (“Additional Own Funds”) by the Financial Regulator for the purposes of the Issuer and this shall include whatever terminology is employed by applicable banking regulations, including CRR, to describe such capital.

5 Payments and Talons

(a) Payments

Payments of principal and interest in respect of Notes will, subject as mentioned below, be made against presentation and surrender of the relevant Notes (in the case of all payments of principal and, in the case of interest, as specified in Condition 5(e)(v)) or Coupons (in the case of interest, save as specified in Condition 5(e)(v)), as the case may be, at the specified office of any Paying Agent outside the United States by a cheque payable in the relevant currency drawn on, or, at the option of the holders, by transfer to an account denominated in such currency with, a bank in the principal financial centre for such currency or, in the case of euro, in a city in which banks have access to the TARGET System.

(b) Payments in the United States

Notwithstanding the foregoing, if any Notes are denominated in U.S. dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Notes in the manner provided above when due, (ii) payment in full of such

amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law, without involving, in the opinion of the Issuer, adverse tax consequence to the Issuer.

(c) *Payments subject to law etc.*

All payments will be subject in all cases to any other applicable fiscal or other laws and regulations in any jurisdiction, including in the place of payment, or other laws and regulations to which the Issuer agrees to be subject and the Issuer will not be liable for any taxes or duties of whatever nature imposed or levied by such laws, regulations or agreements, but without prejudice to the provisions of Condition 6. No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

(d) *Appointment of Agents*

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

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

Notice of any such change or any change of any specified office will promptly be given to the Noteholders in accordance with Condition 12.

(e) *Unmatured Coupons and unexchanged Talons*

- (i) Upon the due date for redemption of Notes, Notes which comprise Fixed Rate Notes should be surrendered for payment together with all unmaturing Coupons (if any) relating thereto, failing which an amount equal to the face value of each missing unmaturing Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmaturing Coupon which the sum of principal so paid bears to the total principal due) will be deducted from the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, due for payment. Any amount so deducted will be paid in the manner mentioned above against surrender of such missing Coupon within a period of 10 years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 7).
- (ii) Upon the due date for redemption of any Note comprising a Floating Rate Note, unmaturing Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.

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

(f) Talons

On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons which may have become void pursuant to Condition 7).

(g) Non-Business Days

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

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

6 Taxation

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

- (i) presented for payment by or on behalf of a holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of his having some connection with Ireland and/or, in the case of Notes issued through the London branch of the Issuer, the United

Kingdom, other than the mere holding of such Note or Coupon or the receipt of the relevant payment in respect thereof; or

- (ii) presented for payment more than 30 days after the Relevant Date, except to the extent that the holder thereof would have been entitled to such additional amounts on presenting the same for payment on such 30th day; or
- (iii) presented by, or by a third party on behalf of, a holder who could lawfully avoid (but has not so avoided) such deduction or withholding by complying or procuring that any third party complies with any statutory requirements or by making or procuring that any third party makes a declaration of non-residence or other similar claim for exemption to any tax authority in the place where the relevant Note or Coupon is presented for payment; or
- (iv) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the tax savings income or any law implementing or complying with, or introduced in order to conform to, such Directive; or
- (v) presented for payment by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Note and/or Coupon to another Paying Agent in a Member State of the EU.

As used in these Conditions, “Relevant Date” in respect of any Note or Coupon means the date on which payment in respect thereof first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date on which notice is duly given to the Noteholders in accordance with Condition 12 that, upon further presentation of the Note or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation. References in these Conditions to (i) “principal” shall be deemed to include any premium payable in respect of the Notes, all Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts, Amortised Face Amounts and all other amounts in the nature of principal payable pursuant to Condition 4 or any amendment or supplement to it, (ii) “interest” shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 3 or any amendment or supplement to it and (iii) “principal” and/or “interest” shall be deemed to include any additional amounts which may be payable under this Condition or any undertaking given in addition to or substitution for it under the Trust Deed.

For the avoidance of doubt, payments will be subject in all cases to any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the “Code”) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code (or any regulations thereunder or official interpretations thereof) or an intergovernmental agreement between the United States and Ireland or the United Kingdom, respectively, facilitating the implementation thereof (or any law implementing such an intergovernmental agreement). Any such amounts withheld or deducted will be treated as paid for all purposes under the Notes, and no additional amounts will be paid on the Notes with respect to any such withholding or deduction.

7 Prescription

Claims against the Issuer for payment in respect of the Notes and Coupons (which, for this purpose shall not include Talons) shall be prescribed and become void unless made within 10 years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect thereof.

8 Events of Default and Enforcement

(a) Events of Default

- (i) If the Issuer shall not make payment in respect of the Notes (in the case of any payment of principal) for a period of seven days or more after the due date for the same or (in the case of any payment of interest) for a period of 15 days or more after a date upon which the payment of interest is due, the Trustee may institute proceedings in Ireland (but not elsewhere) for the winding-up of the Issuer. For the purpose of this paragraph a payment shall be deemed to be due even if the condition set out in Condition 2 above is not satisfied.
- (ii) If, otherwise than for the purposes of a reconstruction or amalgamation on terms previously approved in writing by the Trustee or by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders, an order is made or an effective resolution is passed for the winding up of the Issuer in Ireland (but not elsewhere), the Trustee may, subject as provided below, at its discretion, give notice to the Issuer that the Notes are, and they shall accordingly thereby forthwith become, immediately due and repayable at their Early Redemption Amount as defined in Condition 4(f), plus accrued interest as provided in the Trust Deed.
- (iii) Without prejudice to paragraphs (i) and (ii) above, the Trustee may, subject as provided in (b) below, at its discretion and without further notice, institute such proceedings against the Issuer as it may think fit to enforce any obligation, condition or provision binding on the Issuer under the Notes, the Coupons or the Trust Deed (other than any obligation for the payment of any principal or interest in respect of the Notes), provided that the Issuer shall not as a consequence of such proceedings be obliged to pay any sum or sums representing or measured by reference to principal or interest in respect of the Notes sooner than the same would otherwise have been payable by it or any damages.

(b) Enforcement

The Trustee shall be bound to take action as referred to in Condition 8(a)(i), (ii) or (iii) above if (i) it shall have been so requested by an Extraordinary Resolution of the Noteholders or in writing by the holders of at least one-fifth in nominal amount of the Notes then outstanding and (ii) it shall have been indemnified to its satisfaction.

No Noteholder shall be entitled to proceed directly against the Issuer unless the Trustee, having become bound so to proceed, fails to do so in which case the Noteholder shall have only such rights against the Issuer as those which the Trustee is entitled to exercise. No Noteholder shall be entitled to institute proceedings for the winding-up of the Issuer, or to prove in any winding-up of the Issuer, except that if the Trustee, having become bound to proceed against the Issuer as aforesaid, fails to do so or, being able to prove in any winding-up of the Issuer, fails to do so, then any such holder may, on giving an indemnity satisfactory to the Trustee, in the name of the Trustee (but not otherwise) himself institute proceedings for the winding-up in Ireland (but not elsewhere) of the Issuer and/or prove in any winding-up of the Issuer to the same extent (but not further or otherwise) that the Trustee would have been entitled so to do in respect of his Notes. No remedy against the Issuer, other than the institution of proceedings for the winding-up in Ireland of the Issuer or the proving or claiming in any winding-up of the Issuer, shall be available to the Trustee or the Noteholders whether for the recovery of amounts owing in respect of the Notes or under the Trust Deed or in respect of any breach by the Issuer of any of its obligations under the Trust Deed or the Notes (other than for recovery of the Trustee's remuneration or expenses).

9 Meetings of Noteholders, Modifications, Waiver and Substitution

(a) Meetings of Noteholders

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

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

(b) Modification and Waiver

The Trustee may agree, without the consent of the Noteholders or Couponholders, to (i) any modification of any of these Conditions or the provisions of the Trust Deed which is of a formal, minor or technical nature or is made to correct a manifest error, and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed which is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders. Any such modification, authorisation or waiver shall be binding on the Noteholders and the Couponholders and, if the Trustee so requires, such modification shall be notified to the Noteholders as soon as practicable.

(c) Substitution

The Trust Deed contains provisions permitting the Trustee to agree, subject to such amendment of the Trust Deed and such other conditions as the Trustee may require, but without the consent of the Noteholders or the Couponholders, to the substitution of a successor in business of the Issuer, a subsidiary of the Issuer or a successor in business thereof in place of the Issuer, or of any previous substituted company, as principal debtor under the Trust Deed and the Notes provided that, unless such substituted company is a successor in business of the Issuer, the Issuer irrevocably guarantees, on a subordinated basis, the payment of all moneys payable by the substituted company as principal debtor under the Trust Deed and the Notes. In the case of such a substitution the Trustee may agree, without the consent of the Noteholders or Couponholders, to a change of the law governing the Notes, the Coupons and/or the Trust Deed provided that such change would not in the opinion of the Trustee be materially prejudicial to the interests of the Noteholders.

(d) *Entitlement of the Trustee*

In connection with the exercise of its functions (including but not limited to those referred to in this Condition) the Trustee shall have regard to the interests of the Noteholders as a class and shall not have regard to the consequences of such exercise for individual Noteholders or Couponholders and the Trustee shall not be entitled to require, nor shall any Noteholder or Couponholder be entitled to claim, from the Issuer any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders or Couponholders.

(e) *Indemnification of the Trustee*

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility. The Trustee is entitled to enter into business transactions with the Issuer and any entity related to the Issuer without accounting for any profit. The Trustee may rely without liability to the Noteholders or Couponholders on any certificate or report by the auditors of the Issuer pursuant to the Conditions and/or the Trust Deed whether or not addressed to the Trustee and whether or not it, or any engagement letter entered into in connection therewith, contains any limitation or restrictions on the liability of the auditors of the Issuer.

10 Replacement of Notes Coupons and Talons

If a Note, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed it may be replaced, subject to applicable laws and stock exchange regulations, at the specified office of the Agent or such other Paying Agent as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders in accordance with Condition 12 on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Note, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there will be paid to the Issuer on demand the amount payable by the Issuer in respect of such Notes, Coupons or further Coupons) and otherwise as the Issuer may require. Mutilated or defaced Notes, Coupons or Talons must be surrendered before replacements will be issued.

11 Further Issues

The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further notes having the same terms and conditions as the Notes and so that the same shall be consolidated and form a single series with such Notes, and references in these Conditions to “Notes” shall be construed accordingly. Any further securities forming a single series with the outstanding securities of any series (including the Notes) constituted by the Trust Deed or any deed supplemental to it shall, and any other securities may (with the consent of the Trustee), be constituted by a deed supplemental to the Trust Deed. The Trust Deed contains provisions for convening a single meeting of the Noteholders and the holders of securities of other series where the Trustee so decides.

12 Notices

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

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

13 Contracts (Rights of Third Parties) Act 1999

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

14 Governing Law and Jurisdiction

(a) *Governing Law*

The Trust Deed, the Notes, the Coupons and the Talons and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law, except that the provisions of the Trust Deed and the Notes relating to the postponement of the claims of the Noteholders and Couponholders on a winding-up of the Issuer shall be construed in accordance with the laws of Ireland.

(b) *Jurisdiction*

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

(c) *Service of Process*

The Issuer agrees that the process by which any proceedings in England are begun may be served on it by being delivered to the London branch of the Issuer at 1st Floor, St Helen's, Undershaft, London EC3A 8AB or at any other address for the time being at which process may be served on it in accordance with Part XXIII of the Companies Act 1985 (as modified or re-enacted from time to time). If for any reason service of process cannot be made in accordance with the above, the Issuer must immediately appoint an agent for service of process and notify the Noteholders of such appointment. The Issuer agrees that failure by a process agent to notify it of any process will not invalidate the relevant proceedings. This Condition 14(c) does not affect any other method of service allowed by law.

SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

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

If the Global Notes are stated in the applicable Final Terms to be issued in new global note (“NGN”) form, the Global Notes will be delivered on or prior to the original issue date of the Tranche to the common safekeeper appointed by Euroclear Bank S.A./N.V. (“Euroclear”) and/or Clearstream Banking, *société anonyme* (“Clearstream, Luxembourg”) in respect of such notes (the “Common Safekeeper”). Depositing the Global Notes with the Common Safekeeper does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue, or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.

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

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

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

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

1 Exchange

Each temporary Global Note will be exchangeable in whole or in part for interests in a permanent Global Note or, if so provided in a temporary Global Note, for Definitive Notes after the date falling 40 days after the issue date of the Notes upon certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement. Each permanent Global Note is exchangeable in whole for Definitive Notes on or

after the Exchange Date specified in the notices referred to hereafter by the holder thereof giving notice to the Agent at the cost and expense of AIB (i) if the permanent Global Note is held on behalf of a clearing system and such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so or (ii) if an Event of Default occurs in relation to the Notes represented by such permanent Global Note.

If the Global Note is a CGN, on or after any Exchange Date (as defined below) the holder of a Global Note may surrender such Global Note or, in the case of a partial exchange, present it for endorsement to or to the order of the Agent. In exchange for any Global Note, or the part thereof to be exchanged, AIB will (i) in the case of a temporary Global Note exchangeable for a permanent Global Note, deliver, or procure the delivery of, a permanent Global Note in an aggregate nominal amount equal to that of the whole or that part of a temporary Global Note that is being exchanged or, in the case of a subsequent exchange, endorse, or procure the endorsement of, a permanent Global Note to reflect such exchange or (ii) in the case of a Global Note exchangeable for Definitive Notes, deliver, or procure the delivery of, an equal aggregate nominal amount of duly executed and authenticated Definitive Notes (if appropriate, having attached to them all Coupons in respect of interest which have not already been paid on the Global Note and a Talon) or if the Global Note is an NGN, AIB will procure that details of such exchange be entered *pro rata* in the records of the relevant clearing system. Definitive Notes will be security printed in accordance with any applicable legal and stock exchange requirements and in or substantially in the form set out in Schedule 5 to the Agency Agreement (in the case of Senior Notes) or Schedule 2 to the Trust Deed (in the case of Subordinated Notes) and such Definitive Notes shall be issued in Specified Denomination(s) only. A Noteholder who holds a principal amount of less than the minimum Specified Denomination will not receive a definitive Note in respect of such holding and would need to purchase a principal amount of Notes such that it holds an amount equal to one or more Specified Denominations. On exchange in full of each Global Note, AIB will, if the holder so requests, procure that it is cancelled and returned to the holder together with the relevant Definitive Notes.

In relation to any issue of Notes which are expressed to be temporary Global Notes exchangeable for definitive Notes, such Notes may only be issued in denominations equal to, or greater than EUR 100,000 (or equivalent) and integral multiples thereof.

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

2 Payments

No payment falling due more than 40 days after its issue date will be made on a temporary Global Note unless exchange for an interest in a permanent Global Note or for Definitive Notes is improperly withheld or refused. Payments on any temporary Global Note during the period up to 40 days after its issue date will only be made against presentation of certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement. All payments in respect of CGNs represented by a Global Note will be made against presentation for endorsement and, if no further payment falls to be made in respect of the Notes, surrender of that Global Note to or to the order of the Agent or such other Paying Agent as shall have been notified to the Noteholders for such purpose. If the Global Note is a CGN, a record of each payment so made will be endorsed in the appropriate schedule to each Global Note, which endorsement will be prima facie evidence that such payment has been made in respect of the Notes. Condition 5(d)(iv) and Condition 6(v) will apply to the Definitive Notes only. If the Global Note is an NGN, AIB shall procure that details of each such payment shall be entered *pro rata* in the records of the relevant clearing system and the nominal amount of the Notes recorded in the records of the relevant clearing system and represented by the Global Note will be

reduced accordingly. Each payment so made will discharge AIB's obligations in respect thereof. Any failure to make the entries in the records of the relevant clearing system shall not affect such discharge. For the purpose of any payments made in respect of a Global Note, the relevant place of presentation shall be disregarded in the definition of "business day" set out in Condition 5(g).

3 Notices

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

4 Prescription

Claims against AIB in respect of Notes which are represented by a permanent Global Note will become void unless it is presented for payment within a period of 10 years (in the case of principal) and five years (in the case of interest) from the appropriate Relevant Date (as defined in Condition 6).

5 Meetings

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

6 Purchase and Cancellation

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

7 Trustee's Powers

In considering the interests of Noteholders while any Global Note representing Subordinated Notes is held on behalf of a clearing system the Trustee may have regard to any information provided to it by such clearing system or its operator as to the identity (either individually or by category) of its accountholders with entitlements to such Global Note and may consider such interests as if such accountholders were the holder of such Global Note.

8 Default

Each Global Note representing Senior Notes provides that the holder may cause such Global Note, or a portion of it, to become due and repayable in the circumstances described in Condition 8 by stating in the notice to the Agent the nominal amount of such Global Note which is becoming due and repayable. Upon such notice being given by or through a Common Depositary for Euroclear and Clearstream, Luxembourg or if so specified by the holder giving such notice, the Global Note will become void as to the relevant amount and the persons entitled to such amount as accountholders with a clearing system will acquire direct enforcement rights against AIB under the terms of a Deed of Covenant originally executed as a deed by AIB on 30 November 1993, as amended and restated on 22 August 2003, 7 September 2009 and subsequently amended and restated on 9 June 2014 (the "Deed of Covenant").

9 AIB's Option

No drawing of Notes will be required under Condition 4 in the event that AIB exercises any option relating to those Notes while all such Notes which are outstanding are represented by a permanent Global Note. In the event that any option of AIB is exercised in respect of some but not all of the Notes of any series, the rights of accountholders with Euroclear and Clearstream, Luxembourg in respect of the Notes will be governed by the standard procedures of Euroclear and/or Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion) or any other clearing system (as the case may be).

10 Noteholders' Option

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

11 NGN nominal amount

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

USE OF PROCEEDS

The net proceeds of the sale of any Tranche of Notes will be used for the general funding purposes of the Issuer.

ALLIED IRISH BANKS, P.L.C.

General

AIB, originally named Allied Irish Banks Limited, is a public limited company incorporated in Ireland on 22 September 1966 under the Companies Act, 1963 with registration number 24173.

AIB and its subsidiaries provide a diverse range of banking, financial and related services, principally in Ireland and the United Kingdom (“UK”).

AIB was incorporated in Ireland on 22 September 1966 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).

In December 1983, AIB acquired 43 per cent. of the outstanding shares of First Maryland Bankcorp (“FMB”). In 1989, AIB completed the acquisition of 100 per cent. of the outstanding shares of common stock of FMB. During the 1990s, there were a number of “bolt-on” acquisitions, the most notable being Dauphin Deposit Bank and Trust Company, a Pennsylvania chartered commercial bank which was acquired in 1997. Subsequently, all banking operations were merged into Allfirst Bank. In 2003, Allfirst was integrated with M&T Bank Corporation (“M&T”). Under the terms of the agreement, AIB received 26.7 million shares in M&T, representing a stake of approximately 22.5 per cent. in the enlarged M&T, together with U.S.\$886.1 million cash, of which U.S.\$865 million was received by way of a pre-sale dividend from Allfirst Bank.

AIB entered the Polish market in 1995, when it acquired a non-controlling interest in Wielkopolski Bank Kredytowy S.A. (“WBK”). In September 1999, it completed the acquisition of an 80 per cent. shareholding in Bank Zachodni S.A. (“Bank Zachodni”) from the State Treasury. In June 2001, WBK merged with Bank Zachodni to form BZWBK, following which the Group held a 70.5 per cent. interest in the newly-merged entity. The Group’s interest in BZWBK decreased to approximately 70.36 per cent. when BZWBK’s share capital was increased in 2009.

In October 1996, AIB’s retail operations in the United Kingdom were integrated and the enlarged entity was renamed AIB Group (UK) p.l.c. with two distinct trading names, First Trust Bank in Northern Ireland and Allied Irish Bank (GB) in Great Britain.

In January 2006, Aviva Life & Pensions Ireland Limited and AIB’s life assurance subsidiary, Ark Life, were brought together under a holding company Aviva Life Holdings Ireland Limited (“ALH”), formerly Hibernian Life Holdings Limited. This resulted in AIB owning an interest of 24.99 per cent. in ALH. Following this, AIB entered into an exclusive agreement to distribute the life and pensions products of the venture.

A key element of AIB’s pre-crisis market positioning was its involvement in the Irish property sector, which was the fastest growing segment of the Irish economy. From the late 1990s to 2006, the mortgage market in Ireland expanded rapidly as housing prices soared, driven in part by economic and wage growth and a low interest rate environment.

The global financial system began to experience difficulties in mid-2007. This resulted in severe dislocation of international financial markets around the world, unprecedented levels of illiquidity in the global capital markets and significant declines in the values of nearly all asset classes held by AIB. Governments throughout the world took action to support their financial systems and banks, given the critical role which properly functioning financial systems and banks play in economies. Global financial market conditions triggered a substantial deterioration in domestic economic conditions and property values. In 2008, as the Irish economy started to decline and as interest rates continued to increase, housing oversupply

persisted and mortgage delinquencies increased. Declining residential and commercial property prices also led to a significant slowdown in the construction sector in Ireland. As a result, loan impairments in the Irish construction and property and residential mortgage sectors, to which AIB was heavily exposed, increased substantially. These dynamics began to present funding and liquidity issues for AIB as well as a rapid deterioration in the Group's capital base.

The Irish Government recognised the pressing need to stabilise Irish financial institutions and to create greater certainty for all stakeholders. A number of measures were implemented by the Irish Government in response to the continuing crisis. These measures were taken to enhance the availability of liquidity and improve access to funding for AIB and other systemically important financial institutions in Ireland. The first action was the establishment of the Credit Institutions (Financial Support) ("CIFS") Scheme on 30 September 2008, by which the Minister for Finance guaranteed certain liabilities of covered institutions, including AIB, until 29 September 2010. This was followed by the €3.5 billion subscription by the NPRFC on 13 May 2009 for the 2009 Preference Shares and 2009 Warrants. Subsequently, in December 2009, the Minister for Finance established the ELG Scheme which facilitated participating institutions issuing debt securities and taking deposits during an issuance window until 30 June 2011 and with a maximum maturity of five years. AIB joined the ELG Scheme on 21 January 2010. The ELG Scheme was initially extended to 31 December 2012. In December 2012, the ELG Scheme was extended again by another 12 months. AIB Group (UK) announced its withdrawal from the ELG Scheme in August 2012. The ELG Scheme ended in respect of new liabilities from midnight on 28 March 2013. However certain qualifying existing deposits and deposits made up to and including 28 March 2013 will continue to be guaranteed until the date of their maturity.

In December 2009, the National Assets Management Agency ("NAMA") was established pursuant to statute to acquire certain performing and non-performing land and development and associated loans from participating banks for the purpose, *inter alia*, freeing up banks' balance sheets and facilitating the easier flow of credit throughout the Irish economy. AIB has transferred approximately €20 billion of assets to NAMA.

The consideration received from NAMA for these transfers of assets was in the form of NAMA senior bonds and subordinated NAMA bonds guaranteed by the Irish Government.

The original Prudential Capital Assessment Review ("PCAR") announced by the Central Bank on 30 March 2010 imposed a requirement for AIB, among other Irish credit institutions, to strengthen and increase its capital base to help restore confidence in the Irish banking sector. The PCAR assessed the capital requirement of AIB and other Irish credit institutions in the context of expected losses and other financial developments, under both base and stress-case scenarios, over the period from 2010 to 2012. Following the results of the original PCAR exercise, AIB disposed of its stake in M&T on 4 November 2010, a transaction which generated core tier 1 capital of €0.9 billion. AIB announced, on 10 September 2010, the sale of its Polish interests to Banco Santander S.A. for a total cash consideration of €3.1 billion. This transaction completed on 1 April 2011 and AIB generated core tier 1 capital of approximately €2.3 billion as a result of the disposal. AIB also disposed of Goodbody Holdings Limited; AIB International Financial Services Limited; AIB Jerseytrust Limited; and its 49.99 per cent. shareholding in Bulgarian-American Credit Bank; AIB Asset Management Holdings (Ireland) Limited, including AIB Investment Managers.

On 23 December 2010, a direction order under the Credit Institutions (Stabilisation) Act 2010 with the consent of AIB, directed AIB to issue €3.8 billion of new equity capital to the NPRFC. This also resulted in the delisting of AIB's ordinary shares from both the Main Securities Market of the Irish Stock Exchange and from the Official List maintained by the UK Financial Services Authority. AIB's ordinary shares were subsequently admitted, in January 2011, to the Enterprise Securities Market of the Irish Stock Exchange. Furthermore, AIB announced in August 2011 that its American Depository Shares ("ADSs") were delisted and the ADSs have ceased to be traded on the New York Stock Exchange.

On 24 February 2011, AIB acquired deposits of €7 billion and NAMA senior bonds with a nominal value of €12 billion from IBRC, pursuant to a transfer order issued by the Irish High Court under the Credit Institutions (Stabilisation) Act 2010. AIB also acquired the entire shareholding of IBRC in Anglo Irish Bank Corporation (International) PLC in the Isle of Man, which at the time of acquisition held customer deposits of almost €1.6 billion.

On 1 July 2011, as part of the restructuring of the Irish banking system, AIB completed the acquisition of EBS for a nominal cash payment of €1.00. EBS had €19.2 billion of total assets, approximately €6.0 billion of customer loans and €10.1 billion of customer deposits at this date. This transaction represented a significant consolidation within the Irish banking sector, resulting in the formation of one of two pillar banks in Ireland.

On 31 March 2011, the Central Bank published its “*Financial Measures Programme Report*”, which detailed the outcome of PCAR 2011 and Prudential Liquidity Assessment Review (“PLAR”) 2011 for certain Irish credit institutions, including AIB and EBS. On this date, the Central Bank stated that it had set a new capital target for AIB and EBS, ultimately requiring AIB and EBS to generate a total of €4.8 billion of additional capital. This additional capital requirement was satisfied through AIB’s placing of €5.0 billion of new ordinary shares with the NPRFC, capital contributions totalling €6.1 billion from the Minister for Finance and the NPRFC, the issue of €1.6 billion of contingent capital notes at par to the Minister (which completed on 27 July 2011), and further burden-sharing measures undertaken with the Group’s subordinated debt-holders. Following these actions, the State, through the NPRFC, now owns 99.8 per cent. of the ordinary shares of AIB. In this regard, reference is made to the Circular incorporated by reference in this Base Prospectus.

The distribution of assets and the average number of employees between major operating divisions was as follows at 31 December 2013:

	Assets		Average employees	
	(Euro in millions)	(%)	(Euro in millions)	(%)
Segment				
DCB.....	89,080	75.7	6,085	48.1
AIB UK	15,636	13.3	1,490	11.8
FSG.....	13,018	11.0	1,512	11.9
Group.....	–	–	3,561	28.2
Total	117,734	100.0	12,648	100.0

In September 2013 AIB announced the fulfilment of this non-core deleveraging target, ahead of schedule and within PCAR 2011 capital assumptions.

AIB acquired a 100% holding in Ark Life Assurance Company Limited (“**Ark Life**”) in 2013. Ark Life was acquired exclusively with a view to its subsequent disposal, it was classified on acquisition date as a discontinued operation in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. The sale of Ark Life was completed in May 2014.

Operational Structure

In the latter part of 2012, AIB commenced organising its internal structure to a more customer centric model comprising the following key segments: Domestic Core Bank (“DCB”), AIB UK and Financial Solutions Group (“FSG”). Reporting on this new segment basis commenced in 2013. The following provides an overview of these business segments.

Domestic Core Bank

Personal, Business and Corporate Banking

AIB’s Personal, Business and Corporate Banking (“PBC”) area services the personal, business and corporate customers of AIB in the Republic of Ireland, including wealth management services. PBC has a strong presence in all key sectors including SMEs, mortgages, personal banking and corporate banking. There are a range of delivery channels from AIB branches and EBS offices to ATMs and phone and internet banking and the service partnership with An Post nationwide.

Products

The Products area is responsible for portfolio and balance sheet management and provides a portfolio of banking products that are appropriately priced, striking a balance between customer value and an appropriate return for the Bank.

AIB UK

The AIB UK market segment operates in two distinct markets, Great Britain and Northern Ireland, with different economies and operating environments. The segment’s activities are carried out primarily through AIB Group (UK) p.l.c., a bank registered in the UK and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. In addition, Structured Lending Solutions for the UK deals with all its customers in difficulty.

Great Britain

In this market, AIB operates under the trading name Allied Irish Bank (GB) from 20 central locations in major business centres in Great Britain with the intention of reducing the number of locations to 16 by the end of 2014. The head office is located in Mayfair, London with a processing centre based in Belfast. A full service is offered to business customers, professionals, and high net worth individuals with a strong focus placed on supporting British Irish Trade.

Allied Irish Bank (GB) is positioned as a specialist business bank, providing a relationship focused alternative to UK high street banks. The bank offers a full range of banking services, including daily banking, deposits solutions, corporate banking and international management and personal banking offerings, delivered through the traditional branch network and online banking systems. Allied Irish Bank (GB)’s relationship approach has been supported by external research in 2012 and 2013. This included winning Best Business Fixed Account Provider from the Business Moneyfacts Awards in 2012 and 2013 and Best Services from a Business Bank from the Business Moneyfacts Awards in 2014. The bank’s commitment to staff development has consistently achieved the recognition of the Investors in People standard since 1995.

Northern Ireland

In this market, the segment operates under the trading name First Trust Bank from 43 branches and outlets in Northern Ireland. The First Trust Bank head office is located in Belfast, together with a processing centre.

A full service, including online, mobile and telephone banking is offered to business and personal customers across the range of customer segments, including professionals and high net worth individuals, small and medium enterprises, as well as the public and corporate sectors.

Specialist services, including mortgages, credit cards, invoice discounting and asset finance are based in Belfast and delivered throughout the market segment.

First Trust Bank is strongly rooted in the communities which it serves and supports a wide range of business, community and charitable initiatives, with strong links to the education sector in Northern Ireland. First Trust Bank actively promotes its “Open for Business” agenda with a clear focus on strengthening customer relationships and capitalising on new business opportunities, particularly in relation to home loans and SME lending.

Significant advances were made in relation to online and mobile banking, with the introduction of a mobile banking website and “app” and the installation of free Wifi in First Trust Bank branches to educate and support online and mobile banking technologies.

A suite of mortgage products were introduced and for the SME market, two business lending funds continue to be actively promoted. The Bank is keen to ensure credit demand for viable business is met; thereby ensuring it plays its part in the recovery of the Northern Ireland economy.

UK Structured Lending Solutions (“SLS”)

SLS deals with its customers that are in difficulty. This ensures that there is a centre of expertise where the right people with the appropriate products can tailor solutions for each customer on a case by case basis.

Financial Solutions Group

The Financial Solutions Group (“FSG”) is a unit dedicated to supporting business and personal customers in financial difficulties.

The unit’s emphasis is on early, open engagement as it is mutually beneficial for the Group and customers to manage issues in a constructive way. The key component of the FSG strategy is to return customers in difficulty to regular banking coverage over time.

Group Support Functions

The support functions of the Group are Risk, Chief Operating Office, Finance, Legal, Audit, Human Resources and Corporate Affairs and Strategy.

Legal structure

AIB comprises a number of legal entities, the parent company being Allied Irish Banks, p.l.c. which has investments in a number of subsidiaries and associated companies. The principal legal entities as well as the more significant business activities are shown below:

Allied Irish Banks, p.l.c.

General retail and business banking through some 200 branches and outlets in the State.

AIB Mortgage Bank

AIB Mortgage Bank is a wholly owned subsidiary of Allied Irish Banks, p.l.c. regulated by the Central Bank of Ireland. Its principal activity is the issue of mortgage covered securities for the purpose of financing loans secured on residential property, in accordance with the Asset Covered Securities Act, 2001 and 2007.

EBS Limited

EBS, which is regulated by the Central Bank of Ireland, became a wholly owned subsidiary of AIB on 1 July 2011. EBS has a countrywide network of 82 outlets, comprising 14 branches, 42 tied branch agencies and 26 tied agencies in Ireland. EBS also has a direct telephone based distribution division, EBS Direct and also has “www.ebs.ie” the recently updated online channel. EBS offers residential mortgages and savings products, bancassurance, personal banking and general insurance on an agency basis.

AIB Leasing Limited

Asset financing company providing leasing products.

AIB Insurance Services Limited

Provision of general insurance services. Acts as an insurance intermediary.

AIB Corporate Finance Limited

Provision of corporate advisory services to companies including merger, acquisition, capital raising and strategic financial advice.

AIB Group (UK) plc

AIB Group (UK) p.l.c. is a company incorporated in Northern Ireland through which the bulk of AIB’s operations in the UK are conducted. It has 20 branches in Britain (with an intention to reduce the number of branches to 16 by the end of 2014), trading as Allied Irish Bank (GB), focused primarily on the mid-corporate business sector and 32 branches and outlets in Northern Ireland, trading as First Trust Bank, focused on general retail and commercial banking and also asset finance and leasing.

Board of Directors and Executive Officers

Certain information in respect of Board of Directors and Executive Officers as of the date of this Base Prospectus is set out below.

Name

Function within AIB/Principal Outside Activities

Non-Executive Chairman

† ○ David Hodgkinson

Mr Hodgkinson was Group Chief Operating Officer for HSBC Holdings plc from May 2006 until his retirement from the company in December 2008. During his career with HSBC, he held a number of senior management positions in the Middle and Far East, and Europe, including as Managing Director of The Saudi British Bank, and Chief Executive Officer (“CEO”) of HSBC Bank Middle East. Mr Hodgkinson, who joined HSBC in 1969, has also served as Chairman of

HSBC Bank Middle East Limited, HSBC Bank A S Turkey, Arabian Gulf Investments (Far East) Limited and HSBC Global Resourcing (UK) Ltd. He was a Director of HSBC Bank Egypt SAE, The Saudi British Bank, Bank of Bermuda Limited, HSBC Trinkaus Burkhardt and British Arab Commercial Bank. Mr Hodgkinson joined the Board as Executive Chairman on 27 October 2010 and became Non-Executive Chairman with effect from 12 December 2011. He has been Chairman of the Nomination and Corporate Governance Committee and a member of the Remuneration Committee since January 2011.

Deputy Chairman

^ Dr Michael Somers

Dr Somers is former Chief Executive of the National Treasury Management Agency. He is Chairman of Goodbody Stockbrokers, a Non-Executive Director of Fexco Holdings Limited, Willis Group Holdings plc, Hewlett-Packard International Bank plc, the Institute of Directors, the European Investment Bank, St. Vincent's Healthcare Group Ltd, and President of the Ireland Chapter of the Ireland-US Council. He has previously held the posts of Secretary, National Debt Management, in the Department of Finance, and Secretary, Department of Defence. He is a former Chairman of the Audit Committee of the European Investment Bank and former Member of the EC Monetary Committee.

Dr Somers was Chairman of the group that drafted the National Development Plan 1989-1993 and of the European Community group that established the European Bank for Reconstruction and Development. He was formerly a member of the Council of the Dublin Chamber of Commerce. He joined the Board in January 2010 as a nominee of the Minister for Finance under the Government's National Pensions Reserve Fund Act 2000 (as amended) and has been Chairman of the Board Risk Committee since November 2010.

Chief Executive Officer

David Duffy

Mr Duffy joined AIB in December 2011 as Chief Executive Officer and a member of the Leadership Team. He has held a number of senior roles in the international banking industry including, most recently, the position of Chief Executive Officer at Standard Bank International covering Asia, Latin America, the UK and Europe. He was previously Head of Global Wholesale Banking Network of ING Group and President and Chief Executive Officer of the ING franchises in the US and Latin America. Mr Duffy joined the Board in December 2011.

Chief Financial Officer

Mark Bourke

Mr. Bourke joined AIB in April 2014 as Chief Financial Officer

and member of the Leadership Team and was co-opted to the Board on 29 May 2014.

He joined AIB from IFG Group plc where he held a number of senior roles, including Group Chief Executive Officer, Deputy Chief Executive Officer and Finance Director. Mr. Bourke began his career at PricewaterhouseCoopers (“PWC”) in 1989 and is a former Partner in international tax services with PWC US in California. He is a member of the Institute of Chartered Accountants in Ireland (“ICAI”) and Institute of Taxation in Ireland (“AITI”).

Director of Personal, Business and Corporate Banking

Bernard Byrne

Mr Byrne joined AIB in May 2010 as Group Chief Financial Officer and a member of the Leadership Team. He took up the role of Director of Personal & Business Banking in May 2011. He was appointed to his current post in July 2012. He began his career as a Chartered Accountant with PricewaterhouseCoopers (PwC) in 1988 and joined ESB International in 1994, where he was the Commercial Director for International Investments. In 1998 he took up the post of Finance Director with IWP International plc before moving to ESB in 2004 where he held the post of Group Finance and Commercial Director when he left to join AIB. Mr Byrne was co-opted to the Board on 24 June 2011 and was appointed Non-Executive Director of EBS Limited in July 2011.

Non-Executive Directors

^ Simon Ball

Mr Ball is currently the Non-Executive Deputy Chairman and Senior Independent Director of Cable & Wireless Communications plc, and a Non-Executive Director of Tribal Group plc. Prior to this, Mr Ball has served as Group Finance Director of 3i Group plc and the Robert Fleming Group, held a series of senior finance and operational roles at Dresdner Kleinwort Benson, and was Director General, Finance for HMG Department for Constitutional Affairs. Mr Ball joined the Board in October 2011 and has been a member of the Board Risk Committee since November 2011 a member of the Nomination and Corporate Governance Committee since February 2013. He was appointed Chairman of the Nomination and Corporate Governance Committee in June 2013.

o Thomas Foley

Mr Foley is former Chief Executive of KBC Bank Ireland and has held a variety of senior management and board positions with KBC Bank, Ireland, including in Corporate Finance, Treasury, Business Banking, Private and Mortgage Banking as well as KBC’s UK Division. He was a Member of the Nyberg Commission of Investigation into the Banking Sector during 2010 and 2011 and the Department of Finance

(Cooney) Expert Group on Mortgage Arrears and Personal Debt during 2010. He qualified as a Chartered Accountant with PricewaterhouseCoopers (PwC) and he is a former senior executive with Ulster Investment Bank and is a Non-Executive Director of BPV Finance (International) plc, Intesa SanPaolo Life Limited, and WK Nowlan and Associates Limited. Mr Foley joined the Board in September 2012 and is a member of the Audit Committee and the Remuneration Committee. He was appointed Non-Executive Director of EBS Limited in November 2012.

^ o † Peter Hagan

Mr Hagan is a former Chairman and CEO of Merrill Lynch's US commercial banking subsidiaries, he was also a director of Merrill Lynch International Bank (London), Merrill Lynch Bank (Swiss), ML Business Financial Services and FDS Inc. Mr Hagan is a consultant supporting major international banks in the areas of financial services litigation defence and regulatory change. Over a period of 35 years he has held senior positions in the international banking industry, as Vice Chairman and Representative Director of the Aozora Bank (Tokyo, Japan). During 2011 and until Sept 2012, he was a director of each of the US subsidiaries of IBRC. He is currently a Director and Treasurer of 170 East 70th Corp and a Director of the Thomas Edison State College Foundation. Mr Hagan joined the board in July 2012 and is a member of the Board Risk Committee, Nomination and Corporate Governance Committee and the Remuneration Committee.

o Jim O'Hara

Mr O'Hara is a former Vice President of Intel Corporation and General Manager of Intel Ireland, where he was responsible for Intel's technology and manufacturing group in Ireland. He is a Non-Executive Director of Fyffes plc, and Chairman of a number of indigenous technology start-up companies. He is a past President of the American Chamber of Commerce in Ireland. Mr O'Hara joined the Board in October 2010. He has been a member of the Committee, the Remuneration Committee and the Nomination and Corporate Governance Committee since January 2011, and was appointed Chairman of the Remuneration Committee in July 2012. He was appointed Non-Executive Director of EBS Limited in June 2012.

† ^ Dick Spring

Mr Spring is a former Tánaiste (Deputy Prime Minister) of the Republic of Ireland, Minister for Foreign Affairs and leader of the Labour Party. He is a Non-Executive Director of Fexco Holdings Ltd., Repak Ltd, The Realta Global Aids Foundation Ltd and Chairman of the Diversification Strategy Fund p.l.c. He is Chairman of International Development Ireland Ltd., Altobridge Ltd. and Alder Capital Ltd.

Mr Spring joined the Board in January 2009 as a nominee of

the Minister for Finance under the CIFS Scheme. He has been a member of the Nomination & Corporate Governance Committee since April 2009 and of the Board Risk Committee since November 2010.

Thomas Wacker

Mr Wacker is a Non-Executive Director of the USA Rugby Board and is the former Chief Executive Officer of the International Rugby Board. He was a Non-Executive Director and former Chief Executive Officer of Belmont Advisors (UK) Limited. Mr Wacker is a former Chief Executive of IFG Group plc's offshore business and Non-Executive Director of the parent company. Prior to this, Mr Wacker held senior management roles with Royal Trust Company of Canada, Bank of Montreal, Citibank, and Citigroup Investment Banking Group. Mr Wacker joined the Board in October 2011 and has been a member of the Audit Committee since November 2011.

^ Catherine Woods

Ms Woods is a Non-Executive Director of AIB Mortgage Bank and Chairman of EBS Limited (since February 2013). She is the Finance Expert on the adjudication panel established by the Government to oversee the rollout of the National Broadband scheme and is a former Vice President and Head of the European Banks Equity Research Team, JP Morgan, where her mandates included the recapitalisation of Lloyd's of London and the re-privatisation of Scandinavian banks. Ms Woods is a former director of An Post and former member of the Electronic Communications Appeals Panel. She joined the Board in October 2010, has been a member of the Audit Committee and of the Board Risk Committee since January 2011 and was appointed Chairman of the Audit Committee in July 2011.

† Indicates member of the Nomination and Corporate Governance Committee

Indicates member of the Audit Committee

○ Indicates member of the Remuneration Committee

^ Indicates member of the Board Risk Committee

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

As far as is known to AIB, other than as set out below and, in the case of current or former employees of the Group, as may arise from other roles within the Group, no potential conflicts of interest exist between any duties of members of AIB's administrative management or supervisory bodies to AIB and their private interests and/or other duties. In considering and/or proposing the appointment of directors, the board assesses possible conflicts of interest including, but not limited to personal relationships, business relationships and common directorships among its members and proposed members. Where, in the course of this assessment, potential possible conflicts of interest emerge which are regarded as significant to the overall work of the Board, the appointment will not be made. During a Director's tenure on the Board, situations may

nevertheless arise in which a Director will be faced with an actual or potential conflict between AIB's interests and other business or private interests of that Director. Such situations and areas of conflict, actual, perceived or potential, are recognised and identified so that the Board may acknowledge the conflict and deal with it in the best interests of AIB and all its stakeholders in accordance with Irish law. Directors do not participate in any decision where a potential conflict of interest is reasonably perceived to exist.

Leadership Team (in addition to the Executive Directors above)

Mike Brakes	Acting Chief Operating Officer
Orlagh Hunt	Head of Human Resources
Enda Johnson	Head of Corporate Affairs & Strategy
Fergus Murphy	Director of Products
Steve Reid	Managing Director, AIB Group (UK) plc
Peter Rossiter	Chief Risk Officer
Helen Dooley	Group General Counsel
Brendan O'Connor	Head of Financial Solutions Group

TAXATION

The following is a summary of certain Irish and United Kingdom tax consequences of the purchase, ownership and disposal of Notes. It applies to you if you are the absolute beneficial owner of Notes (including all amounts payable by the Issuer in respect of your Notes). However, it does not apply to certain classes of persons such as dealers in securities. The summary is not a comprehensive description of all of the tax considerations that may be relevant to a decision to purchase, own or dispose of Notes. The summary is based upon Irish and United Kingdom laws, and the practice of the Revenue Commissioners of Ireland and HM Revenue & Customs of the United Kingdom, in effect on the date of this Base Prospectus. The summary does not constitute tax or legal advice and is of a general nature only. You should consult your own tax adviser with respect to the applicable tax consequences of the purchase, ownership and disposal of Notes.

Irish Taxation

1 Notes issued by the registered office in Dublin

1.1 Withholding tax

There are three different types of Irish withholding tax relevant to payments on the Notes, namely Irish interest withholding tax, Irish deposit interest retention tax (“DIRT”) and Irish encashment tax. However, there are broad exemptions available from these withholding taxes, which are described in the following paragraphs.

By way of background, Irish interest withholding tax can apply to interest payments at a rate of 20 per cent., unless an exemption is available. This interest withholding tax can also apply to any premium paid on notes (but does not apply to any discount on notes). DIRT can also apply to interest payments made by banks (such as the Issuer), unless an exemption is available. The rate of DIRT is currently 41 per cent. DIRT can also apply to any premium or discount on notes. Finally, an encashment tax at a rate of 20 per cent. can apply to certain categories of listed notes issued by companies.

1.1.1 Listed Notes

Listed Notes are Notes which have been admitted to the Official List of the Irish Stock Exchange. Payments in respect of Listed Notes may be made to you without any deduction of Irish tax by the Issuer, on the following basis:

- (a) no Irish interest withholding tax will be deducted by the Issuer, provided the Listed Notes remain quoted on the Irish Stock Exchange and remain held in Euroclear and Clearstream, Luxembourg; and
- (b) no Irish DIRT will be deducted by the Issuer, provided the Listed Notes remain quoted on the Irish Stock Exchange.

If Notes are quoted on another “recognised” stock exchange (instead of the Irish Stock Exchange) but remain held in Euroclear and Clearstream, Luxembourg, the same treatment should apply. Broadly, a “recognised” stock exchange is understood to mean a stock exchange in a jurisdiction which is regulated by the appropriate regulatory authority of that jurisdiction and has substantially the same level of recognition in that jurisdiction as the Irish Stock Exchange has in Ireland. If Notes are held in another “recognised” clearing system (instead of Euroclear and Clearstream, Luxembourg), the same treatment should apply. A list of “recognised” clearing systems for these purposes is included in Irish tax legislation and this list includes the Depositary Trust Company of New York.

Irish encashment tax may apply where a collecting agent in Ireland obtains payment of interest (whether in Ireland or elsewhere) on Listed Notes or realises in Ireland any Coupon in respect of Listed Notes. In these circumstances, the collecting agent may be required to deduct Irish encashment tax from such interest or realisation proceeds. An exemption from this Irish encashment tax is available if you are not tax resident in Ireland and have provided a declaration in the prescribed form to the collecting agent. Therefore, you should note that, if you appoint an Irish collecting agent in respect of your Listed Notes, it may result in Irish encashment tax being deducted by your collecting agent from payments made in respect of your Listed Notes.

1.1.2 Unlisted Notes

The Issuer may issue Notes which are not quoted on the Irish Stock Exchange (or another “recognised” stock exchange). Payments in respect of such Notes may be made to you without any deduction of Irish tax by the Issuer, provided one of the following exemptions from each of Irish interest withholding tax, Irish DIRT and Irish encashment tax is available:

- (a) no Irish interest withholding tax will be deducted by the Issuer on payments in respect of such Notes to you, if one of the following applies:
 - (i) interest on the Notes is paid by the Issuer in the ordinary course of the Issuer carrying on its bona fide banking business in Ireland;
 - (ii) the Notes qualify for the “commercial paper” exemption (see below); or
 - (iii) interest on the Notes is not “yearly interest” (generally, interest on Notes would not be considered to be “yearly interest” if the Notes had a maturity of 364 days or less and there was no intention to extend the maturity of the Notes beyond 364 days);
- (b) no Irish DIRT will be deducted by the Issuer on payments in respect of such Notes to you, if one of the following applies:
 - (i) the Notes qualify for exemption under the terms of the Revenue Commissioners’ published practice for medium term notes (see below); or
 - (ii) the Notes qualify for the “commercial paper” exemption (see below); and
- (c) no Irish encashment tax will be deducted, provided the Notes are not quoted on any “recognised” stock exchange (see above).

Other exemptions from Irish withholding tax may also be available in certain circumstances. For example, an exemption is available from Irish interest withholding tax where the holder of Notes is a company resident in an EU jurisdiction (other than Ireland) or in a jurisdiction with which Ireland has a double tax treaty, provided a number of conditions are satisfied. An exemption from Irish DIRT is available where the holders of Notes are not tax resident in Ireland (or fall within certain categories of Irish tax resident persons) and provide specified information or declarations to the Issuer. The terms of a double tax treaty may also provide relief from Irish withholding tax.

1.1.3 What is the “commercial paper” exemption?

As described above, one of the exemptions from both Irish interest withholding tax and Irish DIRT is the “commercial paper” exemption. Notes will qualify as “commercial paper” if the

relevant Notes mature within two years, recognise an obligation to pay a stated amount and carry a right to interest or are issued at a discount or at a premium.

Where Notes qualify as “commercial paper”, an exemption from Irish interest withholding tax and Irish DIRT will be available on payments of interest in respect of such Notes to you where the Notes have a denomination of not less than €500,000 (or its currency equivalent) or U.S.\$500,000 and the Notes are held in Euroclear and Clearstream, Luxembourg (or another recognised clearing system).

Other exemptions for “commercial paper” may be available where holders of Notes provide certain specified information or declarations to the Issuer.

1.1.4 What is the Revenue Commissioners’ medium term note exemption from DIRT?

As described above, it is the published practice of the Revenue Commissioners to grant an exemption from Irish DIRT in respect of medium term notes issued by banks. The terms which must be satisfied for this exemption to be available are as follows:

- (a) the Issuer must not sell such Notes to persons who are tax resident in Ireland and must not offer such Notes in Ireland;
- (b) as far as primary sales of such Notes are concerned, the Dealers must (as a matter of contract) undertake to the Issuer that (a) their actions in any jurisdiction will comply with applicable laws and regulations, and (b) they will not knowingly make primary sales (or knowingly offer to do so or distribute any material in that connection in Ireland) to any persons who are tax resident in Ireland;
- (c) the Base Prospectus must confirm that each Dealer has agreed that, with respect to such Notes, it will not knowingly offer to sell such Notes to persons who are tax resident in Ireland or to persons whose usual place of abode is Ireland and that it will not knowingly distribute or cause to be distributed in Ireland any offering material in connection with such Notes. The Base Prospectus contains this confirmation (see “Subscription and Sale”);
- (d) the Notes must be cleared through Euroclear, Clearstream, Luxembourg or the Depository Trust Company of New York or any other clearing system recognised for this purpose by the Revenue Commissioners (save that Notes represented by definitive bearer notes may be taken out of Euroclear and Clearstream, Luxembourg and cleared outside those systems, it being acknowledged that definitive bearer notes may be issued in exchange for interests in a global note held in Euroclear or Clearstream, Luxembourg (in accordance with the terms of the global note) and, in the case of sterling, denomination global notes, on demand by the holder for as long as this is a requirement); and
- (e) the minimum denomination of such Notes must be £300,000 sterling or its equivalent.

1.2 Taxation of Noteholders

1.2.1 Noteholders resident in Ireland

Generally, if you are tax resident in Ireland, you will be subject to Irish tax on your worldwide income, including your return on the Notes. You will be obliged to account for any Irish tax on a self-assessment basis. There is no requirement for the Revenue Commissioners to issue or raise an assessment on you.

1.2.2 Noteholders not resident in Ireland

If you are not tax resident in Ireland, you will generally only be subject to Irish tax on your Irish source income (on a self-assessment basis). Interest payable on the Notes may be regarded as Irish source income, as the Issuer is resident in Ireland.

However, where the Notes are Listed Notes (and continue to be held in Euroclear and Clearstream, Luxembourg) or the “commercial paper” exemption (see above) applies, you should nevertheless be exempt from Irish income tax on interest paid on the Notes if you are:

- (a) a person (including a company) who is not tax resident in Ireland and is regarded (for the purposes of section 198 of the Taxes Consolidation Act 1997 of Ireland) as being a resident of a EU member state (other than Ireland) or a territory with which Ireland has a double tax treaty that has the force of law;
- (b) a company which is under the control (whether directly or indirectly) of a person or persons who, by virtue of the laws of a “relevant territory”, is or are tax resident in the “relevant territory” and who is or are (as the case may be) not under the control (whether directly or indirectly) of a person, or persons who are, not so resident. A “relevant territory” for these purposes means (i) a member state of the EU (other than Ireland), (ii) a territory with which Ireland has a double tax treaty that has the force of law, or (iii) a territory with which Ireland has signed a double tax treaty, which has yet to have the force of law; or
- (c) a company the principal class of shares of which, or:
 - (i) where the company is a 75 per cent. subsidiary of another company, of that other company; or
 - (ii) where the company is wholly-owned by two or more companies, of each of those companies,

is substantially and regularly traded on a stock exchange in Ireland, or on one or more recognised stock exchanges in a “relevant territory” (see just above) or on such other stock exchange as may be approved of by the Minister for Finance of Ireland for these purposes.

If the Notes are neither Listed Notes nor Notes to which the “commercial paper” exemption (see above) applies, you should nevertheless be exempt from Irish income tax on interest paid on the Notes if the interest is paid by the Issuer in the ordinary course of its trade or business and you are:

- (a) a company which is not tax resident in Ireland and which is regarded (for the purposes of section 198 of the Taxes Consolidation Act 1997 of Ireland) as being a resident of a EU member state (other than Ireland) or a territory with which Ireland has a double tax treaty that has the force of law provided, in either case, that the relevant territory imposes a tax that generally applies to interest receivable in that territory by companies from sources outside that territory; or
- (b) a company and the interest paid on the Notes is exempted from the charge to Irish income tax under a double tax treaty in force on the date the interest is paid, or would be exempted from the charge to Irish income tax if a double tax treaty which has been signed but is not yet in force had the force of law on the date the interest is paid.

If you earn a discount on Notes, you will not be chargeable to Irish income tax on such discount if the Notes were issued by the Issuer in the ordinary course of its trade or business and you are a person (including a company) who is not tax resident in Ireland and who is regarded (for the purposes of section 198 of the Taxes Consolidation Act 1997 of Ireland) as being a resident of a EU member state (other than Ireland) or a territory with which Ireland has a double tax treaty that has the force of law.

If the above exemptions do not apply, the terms of a double tax treaty may provide relief from Irish income tax payable on income earned on the Notes. In addition, it is understood that there is a long standing unpublished practice of the Revenue Commissioners of Ireland that no action will be taken to pursue any liability to Irish tax arising on interest payments in respect of persons who are regarded as not being tax resident in Ireland, except where such persons:

- (a) are chargeable to Irish tax in the name of another person (including a trustee) or in the name of an agent or branch in Ireland having the management or control of the interest;
- (b) seek to claim relief or repayment of tax deducted at source in respect of taxed income from Irish sources; or
- (c) are chargeable to Irish corporation tax on the income of an Irish branch or agency or to income tax on the profits of a trade carried on in Ireland to which the interest is attributable.

There is no assurance that this practice will continue to apply.

1.3 Irish capital gains tax

If you are tax resident or ordinarily resident in Ireland, you may be subject to Irish tax on capital gains (currently 33 per cent.) on gains arising on a disposal of Notes.

If you are not tax resident or ordinarily resident in Ireland, you should not be subject to Irish tax on capital gains arising on a disposal of the Notes, provided the Notes are or were not held for the use of or for the purposes of an Irish branch or agency.

1.4 Irish capital acquisitions tax

Irish capital acquisitions tax applies to gifts and inheritances. The rate of capital acquisitions tax is currently 33 per cent. A gift or inheritance of the Notes may be subject to capital acquisition tax if:

- (a) the donor is tax resident or ordinarily resident in Ireland (or, in the case of value settled in a discretionary trust established before 1 December 1999, was then or later became domiciled in Ireland) on the relevant date;
- (b) the donee (or successor) is tax resident or ordinarily resident in Ireland on the relevant date; or
- (c) the Notes are regarded as property situated in Ireland.

1.5 Irish stamp duty

The issue of Notes will not give rise to a charge to Irish stamp duty.

The transfer of interests in the Notes may, in certain circumstances, result in a charge to Irish stamp duty. However, a transfer of the Notes by physical delivery only (and not otherwise) should not give rise to a charge to Irish stamp duty. In addition, the Irish Revenue Commissioners have confirmed that, provided the Notes are deposited with a depository or safekeeper on behalf of Euroclear or Clearstream, Luxembourg, transfers of equitable interests in the Notes through such electronic clearing systems will (as a concession) be treated as not giving rise to a charge to Irish stamp duty.

1.6 Reporting

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

2 Notes issued by the London Branch

While the matter is not free from doubt, it is considered that any interest, premium or discount on Notes issued by the London Branch should generally not be regarded as constituting Irish source income. However, if interest, premium or discount on particular Notes issued by the London Branch were treated to be Irish source income, section 1 (“Notes issued by the registered head office in Dublin”) would also apply to such Notes, subject to two exceptions:

- (a) The exemption available for interest paid by the Issuer in the ordinary course of the Issuer carrying on its bona fide banking business in Ireland may not be available. This is because the interest may be paid on such Notes by the Issuer in the course of its business in the United Kingdom.
- (b) Interest, premium and discount on such Notes would not be subject to Irish DIRT.

United Kingdom Taxation

The comments below are of a general nature and relate only to United Kingdom withholding tax on payments of interest in respect of the Notes and certain information reporting requirements. They do not deal with any other United Kingdom taxation implications of acquiring, holding or disposing of Notes. They are not intended to be exhaustive. The comments address the position under current United Kingdom tax law and published practice of HM Revenue and Customs (“HMRC”) of persons who are the absolute beneficial owners of their Notes and may not apply to certain classes of person (such as dealers and persons connected with the Issuer). The United Kingdom tax treatment of prospective holders of Notes depends on their individual circumstances and may be subject to change in the future. Prospective holders of the Notes who are in any doubt as to their tax position or who may be subject to tax in a jurisdiction other than the United Kingdom should seek independent advice.

1 United Kingdom Withholding tax

United Kingdom withholding tax, applied at the basic rate (currently 20 per cent.), may be relevant to payments on the Notes if such payments are treated as payments of yearly interest arising in the United Kingdom for United Kingdom tax purposes. However, there are broad exemptions from United Kingdom withholding tax in these circumstances, which are described in the following paragraphs.

1.1 Notes issued by the London Branch

Notes which are Tier 2 instruments

Pursuant to the Taxation of Regulatory Capital Securities Regulations 2013 (the “Regulations”) payments of interest on Notes may be made without deduction of or withholding on account of United Kingdom income tax under section 874 of the Income Tax Act 2007 (the “2007 Act”) provided that such Notes qualify, or have qualified, as Tier 2 instruments under Article 63 of the CRR and such Notes form, or formed, a component of Tier 2 Capital for the purposes of the CRR and provided

further that there are not arrangements that have a main purpose of obtaining a tax advantage for any person as a result of the application of the Regulations in respect of such Notes.

Notes which are listed

While the Notes are and continue to be listed on a recognised stock exchange within the meaning of section 1005 of the 2007 Act, payments of interest on the Notes may be made without withholding or deduction for or on account of United Kingdom income tax. The London Stock Exchange and the Irish Stock Exchange are recognised stock exchanges for these purposes. Notes will be treated as listed on the London Stock Exchange if they are included in the Official List of the United Kingdom Listing Authority and are admitted to trading on the London Stock Exchange. Notes will be treated as listed on the Irish Stock Exchange if they are included in the Official List of the Irish Stock Exchange and are admitted to trading on the regulated market of the Irish Stock Exchange.

Notes which are not listed

The Issuer, provided that it continues to be a “bank” within the meaning of section 991 of the 2007 Act, and provided that the interest on the Notes is paid in the ordinary course of its business within the meaning of section 878 of the 2007 Act, will be entitled to make payments of interest without withholding or deduction for or on account of United Kingdom income tax. According to HMRC’s current published practice, HMRC will accept that interest is paid in the ordinary course of a bank’s business unless the borrowing conforms to any of the definitions of tier 1, 2 or 3 capital adopted by the Bank of England (whether or not the borrowing actually counts towards tier 1, 2 or 3 capital for regulatory purposes) or the characteristics of the transaction giving rise to the interest are primarily attributable to an intention to avoid United Kingdom tax. However, HMRC has indicated that this published practice will be amended in light of the introduction of the Regulations.

Interest on the Notes may also be paid without withholding or deduction for or on account of United Kingdom income tax where at the time interest on the Notes is paid, the Issuer reasonably believes either:

- (a) that the beneficial owner is a United Kingdom resident company or is a non-United Kingdom resident company which is within the charge to United Kingdom corporation tax as regards the payment of interest; or
- (b) that the payment is made to one of the bodies or persons, and in accordance with any applicable conditions, set out in sections 935 to 937 of the 2007 Act,

provided that HMRC has not given a direction (in circumstances where it has reasonable grounds to believe that the above exemption is not available in respect of such payment of interest at the time the payment is made) that the interest should be paid under deduction of tax.

Interest on Notes with a maturity date of less than a year after the issue date and which are not issued with the intention, or under a scheme or arrangement the effect of which is that such Notes form part of a borrowing with a total term of one year or more, may be paid without withholding or deduction on account of United Kingdom income tax.

In other cases, interest will generally be paid under deduction of United Kingdom income tax at the basic rate (currently 20 per cent.) subject to the availability of other exemptions or reliefs, or to any direction to the contrary from HMRC in respect of such relief as may be available pursuant to the provisions of any applicable double taxation treaty.

All Notes

Notes may be issued at a discount or be redeemable at a premium whether or not periodic interest payments are due on the Notes. Where Notes may be redeemed at a premium, as opposed to being issued at a discount, then any such element of premium may constitute a payment of interest. Payments of interest are subject to the rules on United Kingdom withholding tax and reporting requirements outlined above and below.

Interest on the Notes issued by the London Branch has a United Kingdom source and accordingly will be chargeable to income tax by direct assessment irrespective of the residence of the Noteholder. Where that interest is paid without deduction or withholding, the interest will not be assessed to United Kingdom tax in the hands of a Noteholder who is not resident for tax purposes in the United Kingdom unless that Noteholder carries on a trade, profession or vocation in the United Kingdom through a branch, agency or, in the case of a corporate Noteholder, a permanent establishment, in the United Kingdom in connection with which the interest is received or to which the Notes are attributable, in which case, tax may be levied on the United Kingdom branch, agency or permanent establishment. There are certain exemptions for interest received by certain categories of agent (such as some brokers and investment managers).

Where interest has been paid under deduction of United Kingdom income tax, Noteholders who are not resident for tax purposes in the United Kingdom may be able to recover all or part of the tax deducted if there is an appropriate provision in an applicable double taxation treaty.

1.2 Notes issued by the registered office in Dublin

Payments on the Notes may be made without withholding on account of United Kingdom income tax, unless such payments constitute yearly interest which has a United Kingdom source for United Kingdom tax purposes. Notes issued by the registered office in Dublin should generally not be regarded as giving rise to United Kingdom source income, but this will depend on the circumstances relevant to the particular issue of Notes. Where payments of interest on the Notes have a United Kingdom source, the exemptions summarised in paragraph 1.1 (Notes issued by the London Branch) above should also apply to Notes issued by the registered office in Dublin.

1.3 United Kingdom information reporting

HMRC has powers to obtain information relating to securities in certain circumstances. This may include details of the beneficial owners of the Notes (or the persons for whom the Notes are held), details of the persons to whom payments derived from the Notes are or may be paid and information and documents in connection with transactions relating to the Notes and payments of interest, payments treated as interest and other payments derived from the Notes. Information may be required to be provided by, amongst others, the holders of the Notes, persons by (or via) whom payments derived from the Notes are made or who receive (or would be entitled to receive) such payments, persons who effect or are a party to transactions relating to the Notes on behalf of others and certain registrars or administrators. In certain circumstances, the information obtained by HMRC may be exchanged with tax authorities in other countries.

European Union Directive on the Taxation of Savings Income

The Savings Directive requires EU Member States to provide to the tax authorities of other EU Member States details of payments of interest and other similar income paid by a person established within its jurisdiction to (or for the benefit of) an individual resident or certain other types of entity established in that other EU Member State, except that Luxembourg and Austria currently impose a withholding system and

this is expected to last for a transitional period (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) unless during such period they elect otherwise. The end of this transitional period depends on the conclusion of certain other agreements relating to the exchange of information with certain other non-EU countries. Luxembourg has announced its intention to elect out of the withholding system in favour of an automatic exchange of information with effect from 1 January 2015. A number of non-EU countries and territories have adopted similar measures to the Savings Directive.

The Council of the EU has adopted the Amending Directive which will, when implemented, amend and broaden the scope of the requirements of the Savings Directive described above. The Amending Directive will expand the range of payments covered by the Savings Directive, in particular to include additional types of income payable on securities, and the circumstances in which payments must be reported or paid subject to withholding. For example, payments made to (or for the benefit of) (i) an entity or legal arrangement effectively managed in an EU Member State that is not subject to effective taxation, or (ii) a person, entity or legal arrangement established or effectively managed outside of the EU (and outside any third country or territory that has adopted similar measures to the Savings Directive) which indirectly benefit an individual resident in an EU Member State, may fall within the scope of the Savings Directive, as amended. The Amending Directive requires EU Member States to adopt national legislation necessary to comply with it by 1 January 2016, which legislation must apply from 1 January 2017.

Investors who are in any doubt as to their position should consult their professional advisers.

FATCA Withholding

Pursuant to the foreign account tax compliance provisions of the Hiring Incentives to Restore Employment Act of 2010 (“FATCA”), non-U.S. financial institutions that become subject to provisions of local law intended to implement an intergovernmental agreement (“IGA legislation”) entered into pursuant to FATCA may be required to identify “financial accounts” held by U.S. persons or entities with substantial U.S. ownership, as well as accounts of other financial institutions that are not themselves participating in (or otherwise exempt from) the FATCA reporting regime. IGA legislation has been entered into between the United States and both Ireland and the United Kingdom. Failure by the Issuer to report certain information on its U.S. account holders to the Revenue Commissioners of Ireland or, in respect of Notes issued by the London Branch, to HM Revenue & Customs, could result in the Issuer becoming subject to FATCA withholding on payments it receives.

In certain limited circumstances, the Issuer could also be required to withhold 30 per cent. from all, or a portion, of certain payments. For example, under FATCA, withholding may be required with respect to payments, to persons that are not compliant with FATCA or that do not provide the necessary information, consents or documentation, made on or after 1 January 2017 (at the earliest) in respect of “foreign passthru payments” on “obligations” that are not treated as equity for U.S. federal income tax purposes and that are issued or materially modified on or after (a) 1 July 2014, and (b) if later, in the case of an obligation that pays only foreign passthru payments, the date that is six months after the date on which the final regulations applicable to “foreign passthru payments” are filed in the Federal Register.

The Notes are expected to be held in global form and held within Euroclear Bank S.A./N.V. or Clearstream Banking, *société anonyme* (together, the “ICSDs”). It is generally expected by market participants that FATCA should not affect the amount of any payments made under, or in respect of, debt securities issued by regulated banks (such as the Notes) by the issuer, any paying agent and the common depositary, given that each of the entities in the payment chain beginning with the issuer and ending with the ICSDs will generally be a major financial institution whose business is dependent on compliance with FATCA and that any

alternative approach introduced under an intergovernmental agreement should be unlikely to negatively affect the FATCA treatment of such debt securities. However, the documentation expressly contemplates the possibility that the Notes may go into definitive form and therefore that they may be taken out of the ICSDs. If this were to happen, then a non-FATCA compliant holder could be subject to withholding in limited circumstances. However, definitive Notes will only be printed in remote circumstances.

If an amount were to be deducted or withheld from interest, principal or other payments made in respect of the Notes as a result of FATCA, neither the Issuer nor any paying agent nor trustee nor any other person would, pursuant to the conditions of the Notes, be required to pay additional amounts as a result of the deduction or withholding. As a result, investors may receive less interest or principal than expected.

SUBSCRIPTION AND SALE

The Dealers have in an amended and restated Dealer Agreement dated 9 June 2014 (the “Dealer Agreement”) agreed with AIB a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement for any particular purchase will extend to those matters stated under “Terms and Conditions of the Senior Notes” and “Terms and Conditions of the Subordinated Notes” above.

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

United States

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

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to U.S. persons, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder.

Each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, that, except as permitted by the Dealer Agreement, it will not offer, sell or deliver the Notes of any identifiable Tranche, (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of an identifiable tranche of which such Notes are a part, as determined and certified to the Agent by such Dealer (or, in the case of an identifiable tranche of Notes sold to or through more than one Dealer, by each of such Dealers with respect to Notes of an identifiable tranche purchased by or through it, in which case the Agent shall notify such Dealer when all such Dealers have so certified), within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each dealer to which it sells Notes during the distribution compliance period, a confirmation or other notice setting out the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

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

Public Offer Selling Restriction under the Prospectus Directive

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “Relevant Member State”), each Dealer has represented and agreed, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “Relevant Implementation Date”) it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Prospectus as completed by the final terms in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of Notes to the public in that Relevant Member State:

- (i) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;

- (ii) at any time to fewer than 100, or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (iii) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of Notes referred to in (i) to (ii) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the “Prospectus Directive” or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an “offer of Notes to the public” in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression “Prospectus Directive” means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in each Relevant Member State and the expression “2010 PD Amending Directive” means Directive 2010/73/EU.

United Kingdom

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

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

Ireland

Each Dealer has represented and agreed that, and each further Dealer appointed under the Programme will be required to represent and agree that, it has not offered, sold, placed or underwritten and will not offer, sell, place or underwrite the Notes, or do anything in Ireland in respect of the Notes, otherwise than in conformity with the provisions of:

- (i) the Regulations and any rules issued by the Central Bank under Section 51 of the 2005 Act;
- (ii) the Companies Acts 1963 to 2013;
- (iii) the European Communities (Markets in Financial Instruments) Regulations 2007 (as amended) and it will conduct itself in accordance with any rules or codes of conduct and any conditions or requirements, or any other enactment, imposed or approved by the Central Bank; and
- (iv) the Market Abuse (Directive 2003/6/EC) Regulations 2005 (as amended) and any rules issued by the Central Bank under Section 34 of the 2005 Act.

Each Dealer has further represented and agreed that, to the extent that the Notes (i) are not listed on a stock exchange, (ii) do not qualify for the “commercial paper” exemption from Irish withholding tax (see “Irish

Taxation”), and (iii) are not Notes in respect of which the Issuer has confirmed in writing to the Dealers (in advance of the issuance of such Notes) that the Issuer will not be relying on the Irish Revenue Commissioners’ medium term note exemption from DIRT (see “Irish Taxation”) in respect of such Notes, it will not offer to sell such Notes to persons who are tax resident in Ireland or to persons whose usual place of abode is Ireland and that it will not knowingly distribute or cause to be distributed in Ireland any offering material in connection with such Notes.

Republic of Italy

The offering of the Notes has not been registered with the *Commissione Nazionale per le Società e la Borsa* (“CONSOB”, the Italian Securities Regulator) pursuant to Italian securities legislation and, accordingly, no Notes may be offered, sold or delivered, nor may copies of this Base Prospectus or of any other document relating to any Notes be distributed in Italy, except, in accordance with any Italian securities, tax and other applicable laws and regulations.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered sold or distributed, and will not offer, sell or distribute, directly or indirectly, any Notes or any copy of this Base Prospectus or any other document relating to the Notes in Italy except:

- (a) to qualified investors (*investitori qualificati*), as referred to Article 100 of Legislative Decree no. 58 of 24 February 1998 (the “Financial Services Act”) and Article 34-ter, paragraph 1, letter (b) of CONSOB regulation No. 11971 of 14 May 1999 (the “Issuer’s Regulation”), all as amended; or
- (b) in any other circumstances where an express exemption from compliance with the restrictions on offers to the public applies, as provided under Article 100 of the Consolidated Financial Services Act and Article 34-ter of the Issuer’s Regulation.

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

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

See also “Transfer Restrictions in Italy” below.

Transfer Restrictions in Italy

Investors should note that, in accordance with Article 100-bis of the Financial Services Act, where no exemption from the rules on public offerings applies under paragraphs (a) and (b) above, the subsequent distribution of the Notes on the secondary market in Italy must be made in compliance with the public offer

and the prospectus requirement rules provided under the Financial Services Act and the Issuers Regulation. Furthermore, where no exemption from the rules on public offerings applies, the Notes which are initially offered and placed in Italy or abroad to professional investors only but in the following year are “systematically” distributed on the secondary market in Italy become subject to the public offer and the prospectus requirement rules provided under the Financial Services Act and Issuers Regulation. Failure to comply with such rules may result in the sale of such Notes being declared null and void and in the liability of the intermediary transferring the financial instruments for any damages suffered by purchasers who are acting outside of the course of their business or profession.

This Base Prospectus and the information contained herein are intended only for the use of its recipient and are not to be distributed to any third-party resident or located in Italy for any reason. No person resident or located in Italy other than the original recipients of this document may rely on it or its contents.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (the “Financial Instruments and Exchange Act”). Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident in Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

General

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

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

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

APPLICABLE FINAL TERMS

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

Final Terms dated [●]

Allied Irish Banks, p.l.c.

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
under the €10,000,000,000

Euro Medium Term Note Programme

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 9 June 2014 [and the supplemental Base Prospectuses dated [●]] which [together] constitute[s] a base prospectus for the purposes of the Directive 2003/71/EC, as amended (the “Prospectus Directive”) of the European Parliament and of the Council on markets in financial instruments as amended, to the extent that such amendments have been implemented in the relevant Member State of the European Economic Area. [This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus [as so supplemented].]¹ Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Final Terms and the Base Prospectus [and the supplemental Base Prospectuses] are available for inspection at the London office of the Agent and the offices in Dublin and London of the Issuer and in electronic form on the website of the Issuer www.aibgroup.com (access through the “Investor Relations” link), the website of the Central Bank, www.centralbank.ie (for so long as the Central Bank decides to provide a service of publishing such documents on its website) and on the website of the Irish Stock Exchange at www.ise.ie.

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

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “Conditions”) set forth in the [Base Prospectus] dated [original date] [and the supplemental Base Prospectuses dated [●]]. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive of the European Parliament and of the Council on markets in financial instruments as amended, to the extent that such amendments have been implemented in the relevant Member State of the European Economic Area (the “Prospectus Directive”) and must be read in conjunction with the Base Prospectus dated [current date] [and the supplemental Base Prospectuses dated [●]], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive, save in respect of the Conditions which are extracted from the Base Prospectus dated [original date] [and the supplemental Base Prospectuses dated [●]] and are attached hereto. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus dated [current date]¹[Base Prospectuses dated [original date] and [current date]] [and the supplemental Base Prospectuses dated [●] and [●]]. The Base Prospectus dated [current date]¹[Base Prospectuses] [and the supplemental Base Prospectuses[es]] are available for inspection at the London office of the Agent and the offices in Dublin and London of the Issuer.]

¹ Delete this statement in the case of an issuance of unlisted Notes.

1.	(a)	Issuer:	Allied Irish Banks, p.l.c. acting through its [registered office in Dublin/ London Branch]
2.	[(i)]	Series Number:	[●]
	[(ii)]	Tranche Number:	[●]
	[(iii)]	Date on which the Notes become fungible:	[Not Applicable/The Notes shall be consolidated, form a single series and be interchangeable for trading purposes with the <i>[insert description of the Series]</i> on <i>[insert date/the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph [23] below [which is expected to occur on or about [insert date]]].</i>]
3.		Specified Currency or Currencies:	[●]
4.		Aggregate Nominal Amount of Notes:	[●]
	[(i)]	Series:	[●]
	[(ii)]	Tranche:	[●]
5.		Issue Price:	[●] per cent. of the Aggregate Nominal Amount <i>[plus accrued interest from [insert date] (in the case of fungible issues only, if applicable)]</i>
6.	(i)	Specified Denominations:	[●] [and integral multiples of [●] in excess thereof up to and including [●]. No Notes in definitive form will be issued with a denomination above [●]]
	(ii)	Calculation Amount:	[●]
7.	(i)	Issue Date:	[●]
	(ii)	Interest Commencement Date:	<i>[specify/Issue Date/Not Applicable]</i>
8.		Maturity Date:	<i>[specify/Interest Payment Date falling in or nearest [specify month and year]]</i>
9.		Interest Basis:	[[●] per cent. Fixed Rate] [<i>[LIBOR/EURIBOR]</i> +/- [●] per cent. Floating Rate] [Zero Coupon]
10.		Redemption/Payment Basis:	Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [100] per cent. of their nominal amount
11.		Change of Interest Basis:	[Applicable/Not Applicable]
12.		Put/Call Options:	[Put] [Call] [(further particulars specified below)]
13.	[(i)]	Status of the Notes:	[Senior/Subordinated]

- [(ii)] [Date [Board] approval for issuance of Notes obtained: [●] [and [●], respectively]]
14. **Method of distribution:** [Syndicated/Non-syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

- 15 **Fixed Rate Note Provisions:** [Applicable/Not Applicable]
- (i) Rate[(s)] of Interest: [●] per cent. per annum [payable [annually/semi-annually/quarterly/monthly] in arrear] on each Interest Payment Date
- (ii) Interest Payment Date(s): [●] in each year
- (iii) Fixed Coupon Amount[(s)]: [●] per Calculation Amount
- (iv) Broken Amount(s): [●] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [●]
- (v) Day Count Fraction: [Actual/Actual / Actual/Actual – ISDA]
[Actual/365(Fixed)]
[Actual/360]
[30/360 / 360/360 / Bond Basis]
[30E/360 / Eurobond Basis]
[30E/360 (ISDA)]
[Actual/Actual – ICMA]
- (vi) Determination Dates: [●] in each year
16. **Resettable Note provisions²:** [Applicable/Not Applicable]
- (i) Initial Rate of Interest: [●] per cent. per annum [payable annually/semi-annually/ quarterly/ monthly] in arrear]
- (ii) First Margin: [+/-][●] per cent. per annum
- (iii) Subsequent Margin: [+/-][●] per cent. per annum
- (iv) Resettable Note Interest Payment Date(s): [●] in each year commencing on [●] and ending on [●]
- (v) First Resettable Note Reset Date: [●]
- (vi) Second Resettable Note Reset Date: [[●]/Not Applicable]
- (vii) Relevant Screen Page: [●]
- (viii) Subsequent Resettable Note Reset Date: [[●]/Not Applicable]
- (ix) Mid-Swap Rate: [Single Mid-Swap Rate] [Mean Mid-Swap Rate]
- (x) Mid-Swap Maturity: [●]
- (xi) Day Count Fraction: [Actual/Actual / Actual/Actual – ISDA]

² Subordinated Notes only.

		[Actual/365(Fixed)]
		[Actual/360]
		[30/360 / 360/360 / Bond Basis]
		[30E/360 / Eurobond Basis]
		[30E/360 (ISDA)]
		[Actual/Actual – ICMA]
17.	Floating Rate Note Provisions:	[Applicable/Not Applicable]
(i)	Interest Period(s):	[●] in each year, subject to adjustment in accordance with the Business Day Convention set out in (v) below
(ii)	Specified Interest Payment Dates:	[●] in each year, subject to adjustment in accordance with the Business Day Convention set out in (v) below
(iii)	First Interest Payment Date:	[●]
(iv)	Interest Period Date:	[●]
(v)	Business Day Convention:	[Floating Rate Convention/ Following Business Day Convention/ Modified Following Business Day Convention/Preceding Business Day Convention/ISDA Determination]
(vi)	Business Centre(s):	[●]
(vii)	Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination/ISDA Determination]
(viii)	Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Calculation Agent):	[●]
(ix)	Screen Rate Determination:	
	– Reference Rate:	[●]
	– Interest Determination Date(s):	[●]
	– Relevant Screen Page:	[●] (or any replacement page which displays that rate)
(x)	ISDA Determination:	
	– Floating Rate Option:	[●]
	– Designated Maturity:	[●]
	– Reset Date:	[●]
	– ISDA Definitions:	[2000/2006]
(xi)	Linear Interpolation:	[Not Applicable/Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (specify for each short or long interest period)]

	(xii)	Margin(s):	[+/-][●] per cent. per annum
	(xiii)	Minimum Rate of Interest:	[●] per cent. per annum
	(xiv)	Maximum Rate of Interest:	[●] per cent. per annum
	(xv)	Day Count Fraction:	[●]
	(xvi)	Linear Interpolation:	[Applicable/Not Applicable]
18.	Zero Coupon Note Provisions:		[Applicable/Not Applicable]
	(i)	Amortisation Yield:	[●] per cent. per annum
	(ii)	Day Count Fraction:	[Actual/Actual / Actual/Actual – ISDA] [Actual/365(Fixed)] [Actual/360] [30/360 / 360/360 / Bond Basis] [30E/360 / Eurobond Basis] [30E/360 (ISDA)] [Actual/Actual – ICMA]

PROVISIONS RELATING TO REDEMPTION

19.	Call Option:		[Applicable/Not Applicable]
	(i)	Optional Redemption Date(s):	[●]
	(ii)	Optional Redemption Amount(s) of each Note:	[●] per Note of [●] Specified Denomination
	(iii)	If redeemable in part:	
		(a) Minimum Redemption Amount:	[●] per Calculation Amount
		(b) Maximum Redemption Amount:	[●] per Calculation Amount
	(iv)	Notice period:	[●]
20.	Put Option:		[Applicable/Not Applicable]
	(i)	Optional Redemption Date(s):	[●]
	(ii)	Optional Redemption Amount(s) of each Note:	[●] per Calculation Amount each Note:
	(iii)	Notice period:	[●]
21.	Final Redemption Amount of each Note:		[●]
22.	Early Redemption Amount:		
	(i)	Early Redemption Amount(s) per	[●] per Calculation Amount
	(ii)	Calculation Amount payable on redemption for taxation reasons or on event of default or other early redemption:	[●]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

23. **Form of Notes:** [Bearer Notes/ Exchangeable Bearer Notes]
[Temporary Global Note exchangeable for Permanent Global Note which is exchangeable for Permanent Global Note exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note]
[Temporary Global Note exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note]
24. **New Global Note:** [Yes] [No]
25. **Financial Centre(s):** [Not Applicable/give details. *Note that this paragraph relates to the date [and place] of payment, and not the end date of the interest period for the purposes of calculating the amount of interest, to which sub-paragraph 17(v) relates*]
26. **Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature):** [No/Yes. As the Notes have more than 27 coupon payments, talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made]

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms. [[●] has been extracted from [●]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [●], no facts have been omitted which would render the reproduced information inaccurate or misleading]

The previous paragraph should be read in conjunction with the [●] paragraph on the first page of the Base Prospectus.

THIRD PARTY INFORMATION

[(*Relevant third party information*) has been extracted from (*specify source*). [Each of the] [The] Issuer [and the Guarantor(s)] confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by (*specify source*), no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of the Issuer:

By:

Duly authorised

PART B – OTHER INFORMATION

1. Listing

- (i) Listing: [Irish Stock Exchange/other(specify)/None]
- (ii) Admission to trading: [Application has been made for the Notes to be admitted to the Official List and to be admitted to trading on the regulated market of the Irish Stock Exchange with effect from [●]. No assurance can be given that such listing will be obtained and/or maintained.
- [(iii) [Estimate of total expenses related to admission to trading: [●]

2. Ratings

Ratings: The following ratings reflect the ratings allocated to Notes of this type issued under the Programme generally:

The Notes are expected to be rated [●] by [●][on or shortly after the Issue Date].

No assurance can be given that such rating will be obtained and/or retained.

(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)

Insert one (or more) of the following options, as applicable:

Option 1: CRA is (i) established in the EU and (ii) registered under the CRA Regulation:

[Insert legal name of particular credit rating agency entity providing rating] is established in the EU and registered under Regulation (EC) No 1060/2009 (the “CRA Regulation”).

Option 2: CRA is (i) established in the EU, (ii) not registered under the CRA Regulation but (iii) has applied for registration:

[Insert legal name of particular credit rating agency entity providing rating] is established in the EU and has applied for registration under Regulation (EC) No 1060/2009 (the “CRA Regulation”) although notification of the registration decision has not yet been provided.

Option 3: CRA is (i) established in the EU and (ii) has not applied for registration is not registered under the CRA Regulation:

[Insert legal name of particular credit rating agency entity providing rating] is established in the EU and is neither registered nor has it applied for registration under Regulation (EC) No 1060/2009 (the “CRA Regulation”).

Option 4: CRA is not established in the EU but the relevant

rating is endorsed by a CRA which is established and registered under the CRA Regulation:

[Insert legal name of particular credit rating agency entity providing rating] is not established in the EU but the rating it has given to the [Notes] is endorsed by [insert legal name of credit rating agency], which is established in the EU and registered under Regulation (EC) No 1060/2009 (the “CRA Regulation”).

Option 5: CRA is not established in the EU and the relevant rating is not endorsed under the CRA Regulation, but the CRA is certified under the CRA Regulation:

[Insert legal name of particular credit rating agency entity providing rating] is not established in the EU but is certified under Regulation (EC) No 1060/2009 (the “CRA Regulation”).

Option 6: CRA is neither established in the EU nor certified under the CRA Regulation and the relevant rating is not endorsed under the CRA Regulation:

[Insert legal name of particular credit rating agency entity providing rating] is not established in the EU and is not certified under Regulation (EC) No 1060/2009 (the “CRA Regulation”) and the rating it has given to the [Notes] is not endorsed by a credit rating agency under Regulation (EC) No 1060/2009 (the “CRA Regulation”).

3. **Interests of Natural and Legal Persons involved in the Issue**

“So far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.” – Amend as appropriate. [Only required where Notes are being listed.]

4. **[Fixed Rate Notes only – Yield**

Indication of yield: [●]

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

5. **Operational Information**

ISIN: [●]

Common Code: [●]

Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, *société anonyme* and the relevant identification number(s): [Not Applicable/give name(s) and number(s)[and address(es)]]

Delivery: Delivery [against/free of] payment

Name and address of additional Paying Agent(s) (if any): [●]

Intended to be held in a manner which would allow Eurosystem [Yes. Note that the designation “yes” simply means that the Notes are intended upon issue to be deposited with one of the

eligibility: International Central Securities Depositories as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.]

[No. Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

6. **Distribution**

- (i) Method of distribution: [Syndicated/Non-syndicated]
- (ii) If syndicated:
 - (A) Names of Managers: [Not Applicable/*give names*]
 - (B) Stabilising Manager(s) (if any): [Not Applicable/*give names*]
- (iii) If non-syndicated, name of Dealer: [Not Applicable/*give name*]
- (iv) U.S. Selling Restrictions: [Reg. S Compliance Category 2] [TEFRA C / TEFRA D / TEFRA Not Applicable]

GENERAL INFORMATION

- 1 It is expected that approval of the Programme in respect of the Notes will be granted on or before 9 June 2014 subject only to the issue of a temporary Global Note in respect of each Tranche. Transactions will normally be effected for delivery on the third working day after the day of the transaction. However, Notes may be issued pursuant to the Programme which will not be listed on any stock exchange. The Listing Agent is not seeking admission to listing of the Notes on the Irish Stock Exchange for the purposes of the Prospectus Directive on its own behalf, but as agent on behalf of AIB.
- 2 The issue of the Notes and the establishment of the Programme was authorised by a resolution of the Board of Directors of AIB passed on 2 November 1993. Updates to the Programme and changes in the Programme size were authorised by resolutions of the Board of Directors of AIB passed on 10 December 1996, 18 May 1999, 26 June 2002, 31 August 2004, 7 September 2006, 7 September 2009, 13 December 2012, 18 April 2013 and 29 May 2014.
- 3 Each Bearer Note, Coupon and Talon will bear the following legend: “Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code”.
- 4 Save as disclosed herein, there are no, and there have not been any, governmental, legal or arbitration actions, suits or proceedings (including any such proceedings which are pending or threatened of which AIB is aware) involving AIB or any of its subsidiaries during the 12 months preceding the date of this Base Prospectus, which may have, or have had in recent past significant effects on the financial position or profitability of AIB and/or the Group taken as a whole.
- 5 Save as set out or referred to in paragraphs 8(i) to 8(vii) below, there has been no significant change in the financial or trading position of the Group and no material adverse change in the prospects of the Issuer since 31 December 2013, the date of the Issuer’s last published audited financial statements.
- 6 The issue price and the amount of the relevant Notes will be determined before filing of the relevant Final Terms of each Tranche, based on then prevailing market conditions. AIB does not intend to provide any post-issuance information in relation to any issues of Notes.
- 7 The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records). The Common Code and ISIN (and any other relevant identification number for any alternative clearing system) for each Series of Notes be set out in the relevant Final Terms. The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy, L-1855 Luxembourg. The address of any alternative clearing system will be specified in the applicable Final Terms.
- 8 Copies of the following documents (in physical form) will be available for inspection during usual business hours on any weekday (Saturday and public holidays excepted) from the date hereof for so long as the Programme remains in effect or any Notes remain outstanding at the London office of the Agent and the offices in Dublin and London of AIB specified at the end of this Base Prospectus:
 - (i) the Memorandum and Articles of Association of AIB;
 - (ii) the Trust Deed (which includes the form of the Global Notes, the Definitive Notes, the Coupons and Talons for Subordinated Notes);
 - (iii) the Agency Agreement (which includes the form of the Global Notes, the Definitive Notes, the Coupons and Talons for Senior Notes);

- (iv) the Dealer Agreement;
 - (v) the Deed of Covenant;
 - (vi) the audited annual consolidated financial statements of AIB for the financial years ended 31 December 2012 and 31 December 2013, respectively, in each case together with the audit reports thereon;
 - (vii) the interim management statement of the Issuer dated 12 May 2014 filed with the Irish Stock Exchange on 12 May 2014;
 - (viii) each Final Terms for Notes which are listed on the Irish Stock Exchange or any other stock exchange;
 - (ix) a copy of this Base Prospectus together with any supplement to this Base Prospectus or further Base Prospectus; and
 - (x) all reports, letters and other documents, balance sheets, valuations and statements by any expert any part of which is extracted or referred to in any supplement to this Base Prospectus or further Base Prospectus.
- 9** KPMG Chartered Accountants (a member of the Institute of Chartered Accountants of Ireland) have audited, without qualifications, the annual consolidated financial statements of AIB for the financial year ended 31 December 2012, in accordance with Auditing Standards issued by the Auditing Practices Board. Deloitte & Touche of Deloitte & Touche House, Earlsfort terrace, Dublin (a member of the Institute of Chartered Accountants in Ireland) have audited, without qualifications, the annual consolidated financial statements of AIB for the financial year ended 31 December 2013, in accordance with Auditing Standards issued by the Auditing Practices Board.
- 10** Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial transactions with, and may perform services to the Issuer and/or affiliates in the ordinary course of business. In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or Issuer's affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such short positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

DEALERS

Allied Irish Banks, p.l.c.

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Dublin 4

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60311 Frankfurt am Main

Credit Suisse Securities (Europe) Limited

One Cabot Square
London E14 4QJ

Deutsche Bank AG, London Branch

Winchester House
Great Winchester Street
London EC2N 2DB

HSBC Bank plc

8 Canada Square
London E14 5HQ

J.P. Morgan Securities plc

25 Bank Street
Canary Wharf
London E14 5JP

Merrill Lynch International

2 King Edward Street
London EC1A 1HQ

Morgan Stanley & Co. International plc

Cabot Square
Canary Wharf
London E14 4QA

UBS Limited

1 Finsbury Avenue
London EC2M 2PP

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AGENT

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Allied Irish Banks, p.l.c.

Bankcentre
Ballsbridge
Dublin 4

LEGAL ADVISERS

to AIB

(as to Irish law)

Matheson

70 Sir John Rogerson's Quay
Dublin 2

to the Dealers

(as to English law)

Linklaters LLP

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London EC2Y 8HQ

AUDITORS OF AIB

Deloitte & Touche

Hardwicke House
Hatch Street
Dublin 2
Ireland

LISTING AGENT

Arthur Cox Listing Services Limited

Earlsfort Centre
Earlsfort Terrace
Dublin 2