

# The Depository Trust Company

# **IMPORTANT**

**B#:** 2842

**DATE:** December 18, 2001

**TO:** All participants

**CATEGORY:** Dividends

**FROM:** Mario Zaccardi, Supervisor, Dividend Department

**ATTENTION:** Operations, Reorg & Dividend Managers, Partners & Cashiers

**SUBJECT:** TaxRelief - Country: Ireland  
Allied Irish Banks Preference Shares  
CUSIPs: 019228AA3/019228AB1  
R/D: 12/31/01 P/D: 01/15/02 EDS Cut-off Date: 01/4/02

DTC has been notified by The Bank of New York, the depository bank for the above issue, that Allied Irish Banks Preference Shares will pay a cash dividend to holders of record December 31, 2001 (the "Record Date") payable on January 15, 2002 (the "Payment Date"). **The Allied Irish Bank Preference Shares dividend is subject to the dividend withholding tax ("DWT") of 20% (statutory withholding rate), which applies to dividends paid by Republic of Ireland companies.**

Participants can elect to receive this distribution with 0% (tax-exempt rate) tax withheld on behalf of American Depositary Receipt ("ADR") beneficial owners with a U.S. address on the participant's books and records. All others will be subject to a DWT of 20% (unfavorable rate) tax..

Participants can use DTC's Elective Dividend System (EDS) function over the Participant Terminal System (PTS) to certify all or a portion of their positions entitled to the applicable tax rate.

**NOTE: THE DEADLINE FOR CERTIFYING OVER EDS IS JANUARY 4, 2002.**

By certifying the applicable tax rate, the participant is certifying that the criteria listed below have been met:

**EXEMPT 0%**

The direct beneficial owner of the shares to be paid at the exempt rate has a U.S. address on the participant's books and records. (For these beneficial owners, supporting documentation for EDS certification of the exempt rate consists of the books and records of the participant, showing a U.S. address for the direct beneficial owner, and need not be supported by a certificate of U.S. tax residence or by an application for exemption from Irish dividend withholding tax.)

**UNFAVORABLE 20%**

For purposes of certifying via EDS on this dividend distribution, all shares that do not meet the criteria for the exempt rate noted above (ADR holder with U.S. address) will be paid at the unfavorable rate of 20%.

**The entity types below are not eligible for relief at-source via EDS, though they may claim the entitled withholding tax directly from the Irish Tax Authorities.**

**EXEMPTIONS FOR NON-LIABLE PERSONS**

Resident Exemptions for Excluded Persons - Ireland's tax legislation provides for an exemption from dividend withholding tax for relevant distributions made to a resident of Ireland who is beneficially entitled to the distributions and is within one of the following categories: an Irish resident company, a qualifying employee share ownership trust, a pension scheme, a collective investment undertaking, or a charity.

Qualifying Non-Resident Exemptions - Ireland's tax legislation provides for an exemption from dividend withholding tax for relevant distributions made to a qualifying non-resident person who is beneficially entitled to the distributions and is within one of the following categories:

Persons (other than companies) who are neither resident nor ordinarily resident in Ireland and who are resident for tax purposes in a tax treaty country or in an EU Member State other than Ireland.

Non-resident companies which are not controlled by Irish residents, and are resident for tax purposes in a country with which Ireland has a double taxation treaty or in an EU Member state other than Ireland.

Non-resident companies which are wholly owned by two or more companies, each of whose principal class of shares is substantially and regularly traded on one or more recognized stock exchanges in countries with which Ireland has a double taxation treaty or in an EU Member State other than Ireland.

**Participants who miss the EDS deadline, or who make incorrect declarations, will be responsible for claiming or refunding any withholding tax to Ireland's Tax Authorities; participants will also be liable for any foreign exchange fluctuations impacting the amount of their refund or claim with Ireland's Tax Authorities.**

Participants who fail to meet the EDS deadline or have other beneficial holders that are not eligible for the EDS process for whom they wish to file a reclaim may use DTC's **TaxReclaim** form preparation service, available by using the **TaxReclaimSystem** (TAXR) function over PTS. TaxReclaim is DTC's proprietary withholding tax form preparation service that calculates reclaim entitlements and prepares the standard tax reclamation form for preparation service that calculates reclaim entitlements and prepares the standard tax reclamation form for filing with the foreign taxing authorities or other designated agent. To enroll in **TaxReclaim**, please contact your Relationship Manager.

Questions regarding this Important Notice may be directed to Mr. George Di Garbo or myself of DTC's Dividend Department at (212) 855-4539 or 4540 respectively.