

# The Depository Trust Company

# IMPORTANT

**B#:** 3071

**DATE:** March 17, 2008

**TO:** All Participants

**CATEGORY:** Dividends

**FROM:** International Services

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

**SUBJECT:** TaxRelief - Country: Ireland  
Allied Irish Banks Preference Shares  
CUSIPs: 019228AA3 / 019228AB1  
R/D: 03/31/08 P/D: 04/15/08 EDS Cut-off Date: 04/03/08

DTC has been notified by The Bank of New York Mellon, the depository bank for the above issue, that Allied Irish Banks Preference Shares will pay a cash dividend as specified in the following notice.

**Questions regarding EDS may be directed to Rafael Neves of DTC's International Services at (813) 470-1255 or Israel Villoda (212) 855-4524.**

**Important Legal Information:** *The Depository Trust Company ("DTC") does not represent or warrant the accuracy, adequacy, timeliness, completeness or fitness for any particular purpose of the information contained in this communication, which is based in part on information obtained from third parties and not independently verified by DTC and which is provided as is. The information contained in this communication is not intended to be a substitute for obtaining tax advice from an appropriate professional advisor. In providing this communication, DTC shall not be liable for (1) any loss resulting directly or indirectly from mistakes, errors, omissions, interruptions, delays or defects in such communication, unless caused directly by gross negligence or willful misconduct on the part of DTC, and (2) any special, consequential, exemplary, incidental or punitive damages.*

*To ensure compliance with Internal Revenue Service Circular 230, you are hereby notified that: (a) any discussion of federal tax issues contained or referred to herein is not intended or written to be used, and cannot be used, for the purpose of avoiding penalties that may be imposed under the Internal Revenue Code; and (b) as a matter of policy, DTC does not provide tax, legal or accounting advice and accordingly, you should consult your own tax, legal and accounting advisor before engaging in any transaction.*



## THE BANK OF NEW YORK MELLON

March 17, 2008

### **Allied Irish Banks Preference Shares**

**Cusips: 019228AA3 / 019228AB1**

**Record Date: March 31, 2008**

**ADR Payable Date: April 15, 2008**

Please be advised that Allied Irish Banks has declared a dividend to holders of record March 31, 2008 (the "Record Date") payable on April 15, 2008 (the "Payment Date"). The gross dividend rate payable is \$0.01297 per American Depositary Share ("ADS") or \$12.97 per \$1000 face value.

**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 the exclusion of U.S. Partnerships and U.S. non-Taxable Trusts as outlined in the "Special Notes on U.S. entities that are ineligible to claim through EDS" section of this Important Notice) 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 EDS WINDOW WILL BE OPENED ON April 1, 2008 AND WILL CLOSE ON April 3, 2008. \*\*\*THREE-DAY EDS WINDOW**

A dividend withholding tax ("DWT") of **20%** applies to dividends paid by Republic of Ireland companies from April 6, 1999, however, in the case of ADS holders such dividends may be paid at gross, (i.e. without deduction of DWT) where the underlying ADS holder's address is:

- a) A United States address on the register of ADS maintained by a United States Depository Bank. And the entity is not a U.S. Partnership or a U.S. non-Taxable Trust as defined below. The Bank of New York Mellon acts as "Depository Bank" (and acts as "Qualified Intermediary" as defined in Irish legislation\*).
- b) A United States address on the records of a specified intermediary, located in the United States, of the Depository Bank, through which the dividend is paid. And the entity is not a U.S. Partnership or a U.S. non-Taxable Trust as defined below. (DTC acts as "Specified Intermediary" as defined in Irish legislation\*).

To ensure that underlying ADS holders with US addresses receive their Allied Irish Bank Preference Shares dividends gross please notify DTC, via EDS, no later than **April 3, 2008** as to a declaration of the ADS amount representing Exempt and Liable ADR holders of record date **March 31, 2008**.



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**Please note: The simplified tax relief is subject to a depositary service charge of \$0.0035 per ADR share claimed at the favorable withholding rate.**

Where DWT is applied to dividends receive for the benefit of ADS holders who are not liable to DWT, applications for refund of the DWT so deducted may be filed through: The Bank of New York Mellon c/o GlobeTax, 90 Broad Street 16<sup>th</sup> Floor, New York, NY 10004, Attn: Becky Zhang, Phone: 1-800-915-3536, Fax: 1-800-985-3536.

By certifying the exempt 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 and the beneficial owner is neither a U.S. Partnership nor a U.S. non-Taxable Trust as outlined below. (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 a EU Member State other than Ireland.

Non-resident companies that 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 a 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



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which Ireland has a double taxation treaty or in a EU Member State other than Ireland.

### **Special Notes on U.S. entities that are ineligible to claim through EDS.**

U.S. Partnerships and Trusts are entitled for tax relief via EDS as follows:

#### **U.S. PARTNERSHIPS**

For Irish Dividend Withholding Tax (DWT) purposes, a partnership is viewed as a U.S. resident only to the extent that all of the partnership's underlying partners are U.S. residents. If all partners are U.S. residents, the partnership is entitled to exemption from DWT. If at least one partner is not a U.S. resident, no part of the partnership's position is entitled to exemption from DWT.

Withholding rate with Participant EDS certification for partnerships whose partners are all U.S. residents: 0%

Withholding rate without Participant EDS certification and for partnerships with at least 1 partner that is not a U.S. resident: 20%

#### **U.S. TRUSTS**

**Taxable Trusts** (for Irish Dividend Withholding Tax (DWT) purposes, "discretionary trusts"): If a trust is taxable at the entity level and is able to obtain an IRS Form 6166 at the level of the trust, it is entitled to exemption from DWT.

**Non-taxable trusts** (for Irish Dividend Withholding Tax (DWT) purposes, "non-discretionary trusts"): If a trust is not taxable at the entity level, eligibility for exemption from DWT depends on the residency of its underlying beneficiaries. If all beneficiaries are U.S. residents, the partnership is entitled to exemption from DWT. If at least one beneficiary is not a U.S. resident, no part of the trust's position is entitled to exemption from DWT and the trust's entire position is subject to the statutory rate of Dividend Withholding Tax.

Withholding rate with Participant EDS certification for taxable trusts and non-taxable trusts whose beneficiaries are all U.S. residents: 0%

Withholding rate without Participant EDS certification and for Non-taxable trusts with at least 1 non-U.S. resident: 20%

**\*NOTE: The DWT provisions are set out in the (Irish) Taxes Consolidation Act 1997, Sections 172A-172M, as modified by changes therein contained in the (Irish) Finance Bill 2000, Sections 26 to 29.**

**\*\*NOTE: "Please note: Late filings are subject to a service charge of \$0.005 per ADR"**

**Participants who miss the EDS deadline, or who make incorrect declarations, will be responsible for claiming or refunding any withholding tax to The Bank of New York Mellon c/o GlobeTax, 90 Broad Street 16<sup>th</sup> Floor, New York, NY 10004, Attn: Becky Zhang, Phone: 1-800-915-3536, Fax: 1-800-985-3536; participants will also be liable for any foreign exchange fluctuations impacting the amount of their refund or claim with Ireland's Tax Authorities.**

**Please note:** Claimants will not benefit from the accelerated tax refund procedure if they file after the



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deadline of **April 3, 2008**, but may submit claims to The Bank of New York Mellon / GlobeTax, who is available to assist in claiming refunds from the Ireland Revenue Office under the traditional long form process until **December 1, 2012**, or to the Ireland Revenue Office. Be advised that it is generally more advantageous to file a claim earlier, specifically under the accelerated tax refund procedure, as refunds claimed through the traditional long form procedure customarily experience extensive costs and delays before being obtained.