

# Extraordinary General Court

09 September 2011

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Group Company Secretary

# Today's business

Introduction and outline of today's order of business

Extraordinary General Court (EGC)

Presentation and Overview of the Resolution

Questions and Answers

Proposal of the Resolution and Voting

Conclusion of EGC

Refreshments in the Conservatory

Pat Molloy

Governor

# Purpose of EGM

- Background

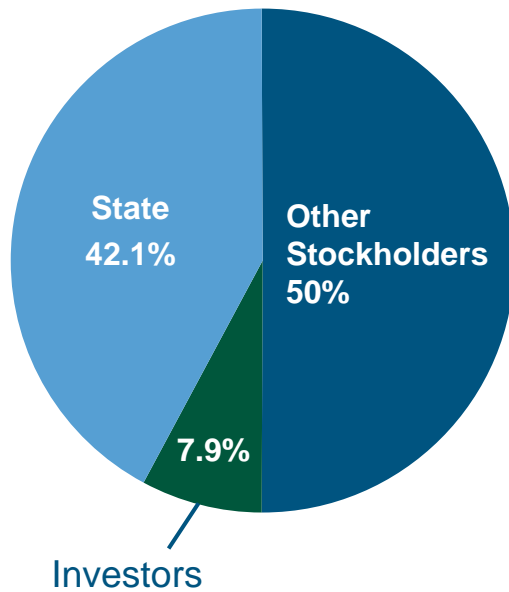
- 27 July 2011 – proposed investment of up to €1.123 billion via purchase of ordinary stock from the Nation Pension Reserve Fund Commission (NPRFC) by Fairfax Financial Holdings, WL Ross, Capital Research, Fidelity Investments and Kennedy Wilson (the “Investors”)
- 2 August 2011 – initial acquisition by certain of the Investors of 9.8% of the Bank’s then issued share capital
- Additional purchases per the contract between the NPRFC and the Investors would increase the Investors aggregate holdings to approximately 34.96%
- The Irish Takeover Panel (the “Panel”) has determined that, with respect to the transaction to acquire shares from the State, the Investors are acting in concert for purposes of Takeover Rules

- Why is Shareholder approval required?

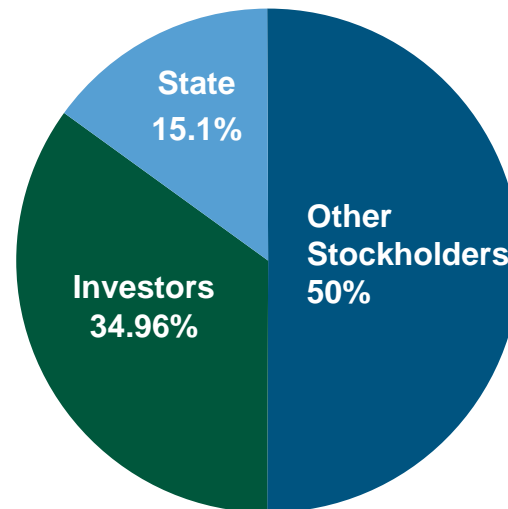
- Rule 9 of Takeover Rules – if a person or persons deemed to be acting in concert acquires 30% or more of a company’s share capital they must make a mandatory offer to acquire all outstanding shares in the company
- The Panel has agreed to a “Whitewash” of Rule 9 subject to a vote of independent shareholders
- A “Whitewash” of Rule 9 provides the Investors with a dispensation from being required to make a mandatory offer to acquire all outstanding shares in the company
- In order for the Investors to acquire shares to take their ownership to approximately 34.96%, approval for today’s Whitewash Resolution by independent shareholders is required

# Impact of Whitewash Resolution on the Bank's Share Register

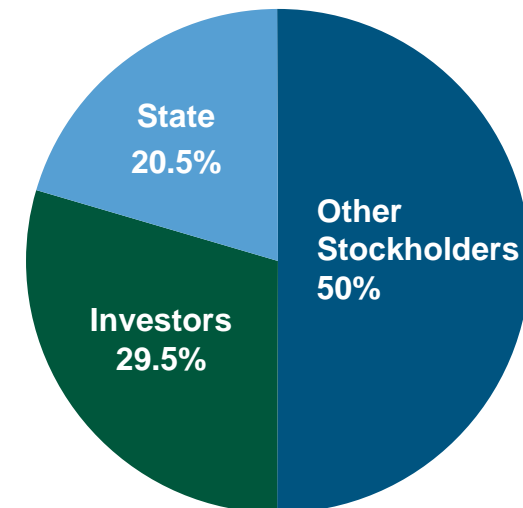
Today



Scenario 1 – Resolution Approved<sup>1</sup>



Scenario 2 – Resolution Not Approved<sup>1</sup>



<sup>1</sup> Both Scenarios 1 and 2 above assume that all other remaining conditions precedent to the completion of the purchase of the shares from the State are either satisfied or waived by all of the Investors.

# Why are Directors recommending to Stockholders to vote in favour of the resolution?

- The Independent Directors, who have been so advised by Credit Suisse, consider that the proposal is in the best interests of the Group and the independent stockholders
- The Independent Directors believe the Investors to be high quality, credible and long-term value focused
- The Investors' proposed shareholding solidifies the Bank's share register and further emphasises the Investors' strong support for the Bank
- It conforms with pre-emption principles in that the shares are not being sold by the Bank and does not increase the number of shares in issue above that agreed by the Shareholders at the EGC on 11 July 2011
- Each of the Investors has indicated to the Bank that each such Investor will manage their individual stockholding independently
- If the resolution is passed and all remaining conditions are satisfied, the level of investment required from the State (in the form of the State's underwriting of the rights issue), in order for the Bank to meet the revised capital requirements as set by the Central Bank, will be reduced

# Questions & Answers on the Resolution



# Today's Business

Resolution

Ordinary

To approve the increase in the percentage of Ordinary Stock owned or controlled by the Investors without triggering an obligation on such Investors under Rule 9 of the Irish Takeover Rules

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