



AIB GROUP PLC (the “Company”)

ODD-LOT OFFER, SEPTEMBER 2024

TAX CONSIDERATIONS

This summary does not constitute tax or financial advice and is intended only as a general guide to certain applicable taxation laws and published practice in certain jurisdictions at the date hereof (both of which are subject to change, possibly with retrospective effect).

Capitalised terms in this summary, unless otherwise defined, have the same meaning given to them in the circular sent to shareholders of the Company relating to the convening of the 2024 annual general meeting of the Company and the adoption of a mechanism to permit an Odd-lot Offer to Shareholders on 3 April 2024 (the “Circular”).

All Eligible Odd-lot Holders regardless of their residence or domicile, who intend to participate in the Odd-lot Offer are strongly advised to consult their professional advisers as to their tax position, based on their own particular circumstances, before taking any actions relating to the Odd-lot Offer.

1 ODD-LOT HOLDERS RESIDENT IN IRELAND

The following summary is intended as a general guide only, is based on current Irish taxation law and the practices of the Revenue Commissioners of Ireland in force at the date of issue of this summary, each of which is subject to change, possibly with retrospective effect. It does not constitute tax or legal advice and it does not purport to be, and is not, a complete description of all of the tax considerations that may be relevant to a decision by Eligible Odd-lot Holders to dispose of Ordinary Shares under the Odd-lot Offer. It summarises the Irish taxation consequences which would arise on a disposal of Ordinary Shares under the Odd-lot Offer by Eligible Odd-lot Holders who are resident, ordinarily resident and domiciled in Ireland for tax purposes and who beneficially own their Ordinary Shares as an investment and not for trading purposes. The summary may not apply to certain Odd-lot Holders, such as dealers in securities, insurance companies and collective investment schemes, Odd-lot Holders who are exempt from taxation and, save as set out below, Odd-lot Holders who have (or are deemed to have) acquired their Ordinary Shares by virtue of an office or employment. Such persons may be subject to special rules. Eligible Odd-lot Holders should consult their own professional advisers on the implications of disposing of Ordinary Shares.

Individual Eligible Odd-lot Holders

Individual Eligible Odd-lot Holders who are tax resident and ordinarily resident in Ireland and elect to participate in the Odd-lot Offer may be liable to Irish capital gains tax on capital gains arising on the disposal of their Ordinary Shares. Irish capital gains tax should be levied to the extent that any gain (taking into account any other taxable gains realised in that tax year) exceeds the annual exempt amount (currently €1,270), and after taking account of any capital losses, exemptions or reliefs available to the individual. The rate of Irish capital gains tax is currently 33%. All individual Eligible Odd-lot Holders who are tax resident

and ordinarily resident in Ireland are under a statutory obligation to account for Irish tax on a self-assessment basis and there is no requirement for the Revenue Commissioners to issue or raise an assessment.

Generally, the capital gain is calculated by reference to the amount received less the base cost of the Ordinary Shares for capital gains tax purposes.

If the amount received by the individual Eligible Odd-lot Holder is less than the base cost of the Ordinary Shares for capital gains tax purposes, the difference may give rise to a capital loss for Irish tax purposes (which can be offset against other capital gains arising to the individual Eligible Odd-lot Holder).

Typically, the base cost is the amount paid by the individual Eligible Odd-lot Holder to acquire the Ordinary Shares. However, in the case of Individual Eligible Odd-lot Holders who received the shares pursuant to the terms of a Revenue approved profit-sharing scheme or Revenue approved performance share plan, the base cost should be the market value of the Ordinary Shares at the date of appropriation or vesting, as the case may be.

Where the individual Eligible Odd-lot Holder has, in the past, made a negligible value claim with respect to the Ordinary Shares, the base cost will have been exhausted and will not be available in computing any gain or loss arising on the disposal of the Ordinary Shares. However, any capital loss carried forward, if applicable, may offset any capital gain arising on the disposal of the Ordinary Shares, if applicable.

There will be no withholding tax applied to the cash payment made by the Company to the individual Eligible Odd-lot Holders.

Corporate Eligible Odd-lot Holders

Corporate Eligible Odd-lot Holders who are tax resident in Ireland and elect to participate in the Odd-lot Offer may be liable to Irish corporation tax on chargeable gains arising on the disposal of their Ordinary Shares. Generally, the chargeable gain is calculated by reference to the amount received less the base cost of the Ordinary Shares for capital gains tax purposes. The effective rate of Irish corporation tax on chargeable gains is currently 33%.

If the amount received by the corporate Eligible Odd-lot Holder is less than the base cost of the Ordinary Shares for capital gains tax purposes, the difference may give rise to a capital loss for Irish tax purposes, which can be offset against other chargeable gains arising to the corporate Eligible Odd-lot Holder.

Typically, the base cost is the amount paid by the corporate Eligible Odd-lot Holder to acquire the Ordinary Shares. Where the corporate Eligible Odd-lot Holder has in the past made a negligible value claim with respect to the Ordinary Shares, the base cost will have been exhausted and will not be available in computing any gain or loss arising on the disposal of their Ordinary Shares. However, any allowable loss carried forward, if applicable, may offset any chargeable gain arising on the disposal of the Ordinary Shares, if applicable.

There will be no withholding tax applied to the cash payment made by the Company to corporate Eligible Odd-lot Holders.

Pension Funds and Approved Charities

Eligible Odd-lot Holders participating in the Odd-lot Offer who are Irish approved pension funds or Irish approved charities should be exempt from tax in Ireland on the disposal of Ordinary Shares under the Odd-lot Offer.

Stamp duty

The sale of Ordinary Shares pursuant to the Odd-lot Offer should not give rise to any liability to Irish stamp duty for the selling Eligible Odd-lot Holder.

2 ODD-LOT HOLDERS RESIDENT IN THE UNITED KINGDOM

The following summary is intended as a general guide only, is based on current UK taxation law and published practice of H.M. Revenue and Customs (“HMRC”) in the UK, in force at the date of issue

of this summary, each of which is subject to change, possibly with retrospective effect. It does not constitute tax or legal advice and it does not purport to be, and is not, a complete description of all of the tax considerations that may be relevant to a decision by Eligible Odd-lot Holders to dispose of Ordinary Shares under the Odd-lot Offer.

It summarises certain UK taxation consequences which would arise on a disposal of Ordinary Shares under the Odd-lot Offer by Eligible Odd-lot Holders who are resident and, in the case of an individual, domiciled in the UK for tax purposes and who beneficially own their Ordinary Shares as an investment and not for trading purposes. The summary may not apply to certain Odd-lot Holders, such as dealers in securities, insurance companies and collective investment schemes, Odd-lot Holders who are exempt from taxation or benefit from certain reliefs or exemptions, and, save as set out below, Odd-lot Holders who have (or are deemed to have) acquired their Ordinary Shares by virtue of an office or employment. Such persons may be subject to special rules.

In all cases, Eligible Odd-lot Holders should consult their own tax advisers as to the UK tax consequences of disposing of the Ordinary Shares, according to their specific circumstances.

Individual Eligible Odd-lot Holders

The tax treatment of any proceeds received by individual Eligible Odd-lot Holders who are tax resident and domiciled in the UK (“**UK Individual Eligible Odd-lot Holders**”) will depend on whether the payment is treated as either ‘capital’ or ‘income’ for UK tax purposes. This analysis is based on case law principles and on the form of the payment under Irish corporate law. Any proceeds received by a UK Individual Eligible Odd-lot Holder on a purchase of Ordinary Shares by the Company, involving a reduction in the number of shares held by that person, should be treated as a capital receipt subject to UK capital gains tax. The comments in this section describe the tax treatment of the disposal of Ordinary Shares by UK Individual Eligible Odd-lot Holders assuming capital gains tax treatment applies.

The sale of Ordinary Shares by a UK Individual Eligible Odd-lot Holder to the Company pursuant to the Odd-lot Offer should be treated as a disposal of those shares for United Kingdom tax purposes. Such disposal may, depending on the circumstances of the relevant UK Individual Eligible Odd-lot Holder and subject to any available exemption or relief, give rise to a chargeable gain or allowable loss for the purposes of the UK taxation of capital gains. Broadly, the gain or loss will be calculated by reference to the amount received (in sterling) less the UK Individual Eligible Odd-lot Holder’s base cost in the Ordinary Shares (which will generally be the amount paid by the individual Eligible Odd-lot Holder to acquire the Ordinary Shares). However, in the case of UK Individual Eligible Odd-lot Holders who have acquired Ordinary Shares pursuant to a Company share plan, the base costs of those Ordinary Shares will generally depend on the terms and conditions of the Company share plan pursuant to which they were acquired. Any UK Individual Eligible Odd-lot Holders who are in any doubt as to the tax treatment of their Ordinary Shares, whether acquired pursuant to a Company share scheme or otherwise, should consult with a qualified tax advisor.

UK capital gains tax should be levied to the extent that any gain (taking into account any other taxable gains realised in that tax year) exceeds the annual exempt amount (£3,000 for 2024/2025), and after taking account of any capital losses, exemptions or reliefs available to the individual. The current rate of UK capital gains tax is either 10 per cent. (to the extent the gains fall within the basic rate band) or 20 per cent. (to the extent the gain falls within the higher or additional rate band). UK Individual Eligible Odd-lot Holders are under a statutory obligation to file details of and (where applicable) account to HMRC for UK capital gains tax either on a self-assessment basis or pursuant to a notice issued by HMRC, as applicable.

If the amount received by the UK Individual Eligible Odd-lot Holder is less than the base cost of the Ordinary Shares for UK capital gains tax purposes, the difference may give rise to a capital loss for UK tax purposes (which could be offset against other UK capital gains arising to the UK Individual

Eligible Odd-lot Holder).

Where the UK Individual Eligible Odd-lot Holder has, in the past, made a negligible value claim with respect to the Ordinary Shares, the base cost for the purposes of computing any UK gain or loss arising on any later disposal of the Ordinary Shares will be the amount specified in such negligible value claim. However, any UK capital loss carried forward, if applicable, may offset any UK capital gain arising to the UK Individual Eligible Odd-lot Holder on the disposal of the Ordinary Shares, if applicable.

There will be no UK withholding tax applied to the cash payment made by the Company to the UK Individual Eligible Odd-lot Holders under the Odd-lot Offer.

Corporate Eligible Odd-lot Holders

For corporate Eligible Odd-lot Holders who are tax resident in the UK (“**UK Corporate Eligible Odd-lot Holders**”), any amount received in excess of the amount originally subscribed for the Ordinary Shares will be a distribution for corporation tax purposes. Such distribution will be subject to UK corporation tax unless one of the exemptions under Part 9A of the Corporation Tax Act 2009 applies. An exemption under Part 9A of the Corporation Tax Act 2009 should generally apply such that the distribution should be an exempt distribution.

Notwithstanding any exemption that may apply in respect of any distribution element (as discussed above), the sale of Ordinary Shares by a UK Corporate Eligible Odd-lot Holders Eligible Shareholder to the Company pursuant to the Odd-lot Offer should be treated as a disposal of those shares for United Kingdom tax purposes. Such disposal may, depending on the circumstances of the relevant UK Corporate Eligible Odd-lot Holder and subject to any available exemption or relief, give rise to a chargeable gain or allowable loss for the purposes of UK taxation of chargeable gains. Broadly, the gain or loss will be calculated by reference to the amount received (including, for the avoidance of doubt, any exempt distribution element as referred to above) less the UK Corporate Eligible Odd-lot Holder’s base cost in the Ordinary Shares (which will generally be the amount paid by the corporate Eligible Odd-lot Holder to acquire the Ordinary Shares). UK Corporate Eligible Odd-lot Holders should also consider the implications of any foreign exchange movements which will depend on their individual circumstances.

The current rate of UK corporation tax on chargeable gains is 25%.

If the amount received by the UK Corporate Eligible Odd-lot Holder is less than the base cost of the Ordinary Shares for UK capital gains tax purposes, the difference may give rise to a capital loss for UK tax purposes (which could be offset against other chargeable gains arising to the UK Corporate Eligible Odd-lot Holder).

Where the UK Corporate Eligible Odd-lot Holder has, in the past, made a negligible value claim with respect to the Ordinary Shares, the base cost for the purposes of computing any UK gain or loss arising on the disposal of the Ordinary Shares will be the amount specified in such negligible value claim. However, any UK capital loss carried forward, if applicable, may offset any UK capital gain arising to the UK Corporate Eligible Odd-lot Holder on the disposal of the Ordinary Shares, if applicable.

There will be no UK withholding tax applied to the cash payment made by the Company to UK Corporate Eligible Odd-lot Holders under the Odd-lot Offer.

Pension Funds and Approved Charities

Eligible Odd-lot Holders participating in the Odd-lot Offer who are UK registered pension schemes or UK approved charities may be exempt from tax in the UK on the disposal of Ordinary Shares under the Odd-lot Offer. An Eligible Odd-lot Holder that is unclear as to whether any of these exemptions apply should seek their own tax advice as to whether these exemptions would apply in their specific circumstances.

Stamp duty and stamp duty reserve tax (“SDRT”)

The sale of Ordinary Shares pursuant to the Odd-lot Offer should not give rise to any liability to UK stamp duty or UK SDRT for the selling Eligible Odd-lot Holder.

9 September 2024