

Irish Takeover Panel

Miceal Ryan

Director General

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23 June 2011

Ms Maura McLaughlin
Arthur Cox
Earlsfort Centre
Earlsfort Terrace
Dublin 2

Dear Ms McLaughlin

Re: Irish Life & Permanent Group Holdings plc ("ILPGH")

I refer to your letters of 21 and 22 June, 2011 in relation to the above and confirm that the Panel considered this matter at a recent meeting.

The Panel is not in a position to grant an unconditional waiver in relation to the acquisition of shares which is proposed to be effected pursuant to the terms of the placing agreement mentioned in your correspondence. The Panel is, however, prepared to grant a conditional waiver on terms that the usual whitewash procedure be followed. I have written to Davys today confirming the Panel's decision to this effect.

However, in the event that, subsequent to the necessary meeting of shareholders, an application is brought by the Minister for Finance ("the Minister") pursuant to section 9 of The Credit Institutions (Stabilisation) Act 2010 ("the 2010 Act") which involves an application that new shares in ILPGH be issued to the Minister or another person nominated by him, the Panel has decided to grant a conditional waiver of Rule 9.1 in relation to any such subscription. You should note that this waiver is strictly subject to the following conditions:

- (i) the Minister applying to the High Court for a direction order pursuant to section 9 of the 2010 Act, and
- (ii) the High Court making a direction order pursuant to section 9 of the 2010 Act and either:
 - a. no application being made to the High Court for the setting aside of the direction order pursuant to section 11 of the 2010 Act, or
 - b. an application for the setting aside of the direction order pursuant to section 11 of the 2010 Act being denied by the High Court.

Directors: D. McDonald, S.C. (Chairperson), A. Fitzgerald (Deputy Chairperson)
T. Byrne, P. D'Alton, D. Kitchen, F. O'Dwyer, A. Price.

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For the avoidance of doubt, the above waiver is to be utilised for the purposes only of the proposed investment in ILPGH by the Minister as set out in your submission.

Yours sincerely

A handwritten signature in black ink, consisting of a large, stylized 'D' followed by a horizontal line and a small flourish.

Denis McDonald
Chairman