



AIB Group in merchant acquiring joint venture with First Data **14th November 2007**

Allied Irish Banks, p.l.c. ("AIB") [NYSE: AIB] with a market leadership position in financial services and card acquiring in the Republic of Ireland, and First Data Corp. (First Data), a global leader in electronic commerce and payment services, today announced that they have signed an agreement to form a merchant acquiring joint venture. The joint venture will trade as AIB Merchant Services in the Republic of Ireland.

The new joint venture, based in Dublin, will provide card acquiring services in the Republic of Ireland, the United Kingdom and elsewhere in Europe and will deliver additional products and services and enhanced functionality to AIB's 30,000 merchant customers. It will also provide a compelling service offering for new merchants, enabling further expansion of the bank's credit and debit card acquiring business.

AIB's card acquiring business in the Republic of Ireland will form the principal basis of the new joint venture. It is expected that for the year ended 31 December 2007, AIB's card acquiring businesses in Ireland and in the UK will process approximately 140 million and 13 million transactions respectively.

Completion of the transaction is conditional upon competition approval, which is expected before the end of this year. As part of the agreement, First Data will have an option to enable the joint venture to acquire AIB's card acquiring business in the UK. The total value of the gross assets of the Irish and UK Businesses is approximately EUR5.5 million. The transaction is expected to have a neutral effect on AIB's earnings per share in 2008.

Both AIB and First Data will be involved in the day-to-day operations of the new joint venture and will be represented on its board of directors.

Welcoming the development, Donal Forde, Managing Director of AIB Bank, Republic of Ireland Division, said: "This new initiative is an exciting move for AIB as we continue to look for ways to enhance our service offering for customers and expand our business. By partnering with a leading global player like First Data, we are positioning ourselves for substantial future growth in this business, in Ireland, the UK and further afield. The combination of AIB's strong track record in this business and First Data's global payments and merchant acquiring expertise and world class systems will provide the ideal platform for business expansion and profitable growth in a Single European Payments Area (SEPA) environment."

Nadeem Shaikh, President, First Data, Western Europe, the Middle East and Africa, added: "First Data seeks to partner with leading banks across Europe and we are delighted AIB selected us for this important new venture. The bank has recognised First Data's unique ability to help accelerate the growth of its merchant acquiring business in Europe and we will work closely with the skilled and experienced staff at AIB to build a business of which we can all be proud."

AIB Corporate Finance Limited, which is regulated by the Financial Regulator under the Investment Intermediaries Act, 1995, acted as financial adviser to AIB in relation to this transaction and A&L Goodbody acted as legal adviser.

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About First Data

First Data Corp. is a leading provider of electronic commerce and payment solutions for businesses worldwide. With operations in 38 countries, First Data serves over 5 million merchant locations, 1,900 card issuers and their customers. It powers the global economy by making it easy, fast and secure for people and businesses around the world to buy goods and services using virtually any

form of payment. The company's portfolio of services and solutions includes merchant transaction processing services; credit, debit, private-label, gift, payroll and other prepaid card offerings; fraud protection and authentication solutions; receivables management solutions; electronic check acceptance services through TeleCheck; as well as Internet commerce and mobile payment solutions. The company's STAR Network offers PIN-secured debit acceptance at 2 million ATM and retail locations. For more information, visit www.firstdata.com.

About AIB

AIB Group is Ireland's leading banking and financial services organisation. It operates principally in Ireland, the United Kingdom, the United States and Poland. AIB's activities are conducted through four major operating divisions:

AIB Bank ROI consists of the group's retail and commercial activities in the Republic of Ireland, Channel Islands and Isle of Man; AIB Finance and Leasing and Card Services.

AIB Bank UK provides retail and commercial banking services in Great Britain, where it operates under the name Allied Irish Bank (GB) and in Northern Ireland, where it trades as First Trust Bank.

AIB Capital Markets comprises the Corporate Banking, Global Treasury and Investment Banking activities of the Group as well as Allied Irish America..

In Poland, AIB has a 70.5% shareholding in BZWBK which has over 380 outlets mainly in the mid-west and south-west of the country.

AIB also has a 25% stake in M&T Bank, one of the top regional banks in the US.

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