



AIB - Issue of ordinary shares to NPRFC

13th May 2011

As a result of the operation of a “Dividend Stopper” in one of its Capital Instruments, Allied Irish Banks, p.l.c. (“AIB”) [NYSE:AIB] is precluded from paying dividends on certain of its securities. As a result, the annual cash dividend on the National Pensions Reserve Fund Commission’s (NPRFC) €3.5bn preference shares, amounting to €280m, due today 13th May, will not be paid. In these circumstances, under its articles of association, AIB becomes obliged to issue and allot ordinary shares to the NPRFC equal in value to the amount of the dividend that would otherwise have been payable.

As a consequence, AIB will be issuing and allotting 1,209,155,030* ordinary shares to the NPRFC by way of bonus issue. This number of shares is equal to the aggregate cash amount of the annual dividend of €280m on the NPRFC’s holding of preference shares, divided by the average price per share in the 30 trading days prior to today’s date (€0.23156 per share). 484,902,878 shares have been issued and allotted today. The remainder will be issued and allotted following the annual general meeting at which a resolution will be proposed increasing AIB’s authorised share capital. Application will be made in due course for the listing of all of these new shares.

Once this issue of shares is complete, the total number of AIB ordinary shares in issue will be 13,455,007,742. The NPRFC would then hold c. 93.5%, (currently c. 92.8%), of the enlarged issued share capital of the Bank.

* before application of late issuance adjustment that may apply

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For further information, please contact:

Alan Kelly
General Manager, Corporate Services
AIB Group
Bankcentre
Ballsbridge
Dublin 4
Tel: +353-1-6600311 Ext 12162

Catherine Burke
Head of Group Corporate Relations
AIB Group
Bankcentre
Ballsbridge
Dublin 4
Tel: +353-1-6600311 Ext 13894