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**THIS DOCUMENT AND THE ACCOMPANYING FORM OF PROXY ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION.**

**If you are in any doubt as to the action to be taken, you are recommended to seek your own personal financial and taxation advice from your stockbroker, bank manager, solicitor, accountant, fund manager or other appropriate independent financial adviser (being in the case of Shareholders in Ireland, an organisation or firm authorised or exempted pursuant to the European Communities (Markets in Financial Instruments) Regulations 2007 (as amended) and, in the case of Shareholders in the United Kingdom, a firm authorised under the Financial Services and Markets Act 2000 (“FSMA”), or from another appropriately authorised independent financial adviser if you are in a territory outside Ireland or the United Kingdom.**

If you have sold or otherwise transferred all of your Ordinary Shares, please pass this Circular and accompanying Form of Proxy as soon as possible to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for delivery to the purchaser or the transferee.

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**Allied Irish Banks, p.l.c.**

**Annual General Meeting  
Wednesday, 28<sup>th</sup> April 2010**

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Notice of the Annual General Meeting of Allied Irish Banks, p.l.c. to be held at **Bankcentre, Ballsbridge, Dublin 4, Ireland**, on **Wednesday, 28<sup>th</sup> April 2010** at 11.00 a.m., is set out in this document, accompanying which is a Form of Proxy for use in connection with the resolutions at the Meeting. To be valid, Forms of Proxy must be returned so as to be received by the Bank's Registrar, Computershare Investor Services (Ireland) Ltd., P.O. Box 954, Dublin 18, Ireland, not later than 11.00 a.m. on Monday, 26<sup>th</sup> April 2010.

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# **Allied Irish Banks, p.l.c.**

(Incorporated under the Companies Acts, 1963 to 2009 – No. 24173)

## **Letter from the Executive Chairman to the Ordinary Shareholders**

*Group Headquarters and  
Registered Office:  
BANKCENTRE,  
BALLSBRIDGE,  
DUBLIN 4.*

16<sup>th</sup> March 2010

Dear Shareholder,

I am pleased to send you information about our Annual General Meeting (“AGM”), to be held on 28<sup>th</sup> April 2010 at Bankcentre, Ballsbridge, Dublin 4. I hope you can attend.

The Notice of the AGM appears on pages 4 & 5, and this letter explains the major items of business to be dealt with.

### **Item 2 - Re-appointment of Directors**

As in previous years, all Directors will retire from office at the AGM and, with the exception of Mr. Declan Collier, Mr. Dick Spring and Dr. Michael Somers, as “Government Appointees”, and Ms. Jennifer Winter and Mr. Sean O’Driscoll who are both resigning from the Board due to other business commitments, offer themselves for re-appointment.

All Directors are experienced and knowledgeable and the Board is confident that each Director being proposed will continue to make a valuable contribution and provide an independent and objective perspective in discharging his or her duties as a Director.

### **Item 4 - The re-issue of treasury shares**

The Directors wish to have their authority to determine, in accordance with the Articles of Association, the price range within which any shares held as treasury shares may be re-issued off-market renewed. Further information is given in the explanatory note to the resolution.

### **Item 5 - Convening of certain general meetings on 14 days notice**

The Directors also wish to have their authority to convene a general meeting of the Company, other than an annual general meeting or a meeting to consider a special resolution, on the provision of 14 days notice to shareholders, renewed.

### **Items 6 and 7 – Resolutions from Shareholders**

A shareholder, Mr. Niall Murphy, has given notice of his intention to propose resolutions to remove three Directors. This is dealt with at item 6 of the Notice. Save in respect of Mr. Dick Spring, who, as a “Government Appointee”, is not retiring and offering himself for re-appointment, the resolutions referred to at item 6 of the Notice will not be permitted and, in accordance with usual practice, will be dealt with as part of item 2 of the Notice.

A shareholder, Mrs. Loraine Murphy, has given notice of her intention to propose a resolution that Mr. Niall Murphy, a former employee of AIB, be appointed a Director of the Company.

**Action to be taken**

I would encourage you to vote by completing, signing and returning the enclosed Proxy Form. Completion and return of this Form will not prevent a member from attending and voting in person at the meeting. You may instead appoint a proxy or submit your votes through the internet; instructions on how to do so are found on the reverse of the Form. All proxy appointments/votes must be received by the Registrar not later than 11.00 a.m. on Monday, 26<sup>th</sup> April 2010.

**Recommendations**

**The Directors believe that the resolutions to be proposed in connection with items 1 to 5 of the Notice are in the best interests of the Company and its shareholders, and so they recommend that you vote in favour of those resolutions, as they intend to, themselves, in respect of their shares. The Directors believe that the other resolutions are not in the best interests of the Company and its shareholders, and so recommend that you vote against the resolutions at items 6 and 7 of the Notice (the former insofar as the item is permitted), if proposed, as the Directors intend to themselves, in respect of their shares.**

Yours sincerely,

**Dan O'Connor**  
Executive Chairman

## NOTICE OF ANNUAL GENERAL MEETING

The Annual General Meeting of Allied Irish Banks, p.l.c. will be held at Bankcentre, Ballsbridge, Dublin 4, on Wednesday, 28<sup>th</sup> April 2010 at 11.00 a.m. for the following purposes:

1. To receive the Annual Financial Report for the year ended 31<sup>st</sup> December 2009.

*Explanatory Note*

*The Annual Financial Report was sent to shareholders who requested it and copies will be available at the AGM. Shareholder information, including the Annual Financial Report, is available on AIB's website at [www.aibgroup.com/investorrelations](http://www.aibgroup.com/investorrelations).*

2. To re-appoint the following Directors:

- |                           |                         |                           |
|---------------------------|-------------------------|---------------------------|
| (a) Mr. Kieran Crowley    | (d) Ms. Anne Maher      | (f) Mr. David Pritchard   |
| (b) Mr. Colm Doherty      | (e) Mr. Daniel O'Connor | (g) Mr. Robert G. Wilmers |
| (c) Mr. Stephen L. Kingon |                         |                           |

*Explanatory Note*

*Mr. Declan Collier, Mr. Dick Spring and Dr. Michael Somers, as "Government Appointees", are not retiring and offering themselves for re-appointment. Biographical information in respect of all Directors is given on page 16 and on the inside back cover of the Shareholders' Report sent to all shareholders.*

3. To authorise the Directors to determine the remuneration of the Auditor.

*Explanatory Note*

*The Company's Auditor, KPMG, whose audit and non-audit services are monitored by the Audit Committee, has indicated willingness to continue in office. This resolution gives the Directors authority to approve fees in relation to the audit of the Accounts for 2010.*

4. To consider and, if thought fit, pass a Special Resolution in the following terms:  
"That for the purposes of Section 209 of the Companies Act 1990 ("the 1990 Act"), the price range within which any treasury shares for the time being held by the Company may be re-issued off-market shall be determined in accordance with Article 53 of the Articles of Association. The authority hereby conferred shall be effective from 29<sup>th</sup> April 2010 and shall expire at the close of business on the earlier of the date of the next Annual General Meeting, or 28<sup>th</sup> October 2011, unless previously varied or renewed in accordance with the provisions of Section 209 of the 1990 Act."

*Explanatory Note*

*This resolution sets the price range for the re-issue off-market of treasury shares. If any shares are re-issued under the employee share schemes, the price will be determined as provided for in the rules of the particular scheme. If the shares are re-issued in any other circumstances, the price may not be more than 5% below, or 20% above, the average closing price of the shares on the Irish Stock Exchange for the previous five business days. The Company holds some 35.7 million Ordinary Shares as treasury shares.*

5. To consider and, if thought fit, pass a Special Resolution in the following terms:  
"That, in accordance with the Shareholders' Rights (Directive 2007/36/EC) Regulations 2009, a general meeting of the Company, other than an annual general meeting or a general meeting for the passing of a special resolution, may be called on 14 days' notice"

Explanatory Note

Changes made to Section 133 of the Companies Act 1963 by the implementation in Ireland of the EU Shareholders' Rights Directive in August 2009, increased the standard notice period for general meetings of the Company to 21 days. Prior to this, AIB was able to convene any meeting of Shareholders (except its annual general meeting or a meeting to consider a special resolution) on 14 days' notice. Section 133 of the Companies Act 1963 (as amended) now envisages that, on an annual basis, a company may pass a resolution, such as that above, in order to preserve its ability to utilise, where appropriate, that shorter notice period. The Directors consider that it is in the interests of the Company to retain that flexibility and the resolution seeks that approval. If passed, the approval will be effective until the Company's next annual general meeting, when it is intended that a similar resolution will be proposed.

6. The Directors have received notice from a shareholder, Mr. Niall Murphy, of his intention to propose resolutions for the removal of Mr. Colm Doherty, Mr. Dan O'Connor, and Mr. Dick Spring as Directors of the Company.

Explanatory Note

Mr. Niall Murphy is a former employee of the Bank. He has proposed resolutions to remove Directors each year since 1990 (except 1995) and on each occasion the resolutions have been overwhelmingly rejected by shareholders.

The resolutions in respect of Messrs. Doherty and O'Connor will not be permitted and will be dealt with as part of item 2 of the Notice in line with usual practice, as to permit a resolution to remove a Director already re-appointed at the meeting would, in effect, ask shareholders to vote twice on the same issue.

The resolution in respect of Mr. Spring, who, as a "Government Appointee", is not retiring and offering himself for re-appointment, will, if proposed, be put to the meeting.

7. The Directors have received notice from a shareholder of her intention to propose a resolution that Mr. Niall Murphy be appointed a Director of the Company.

Explanatory Note

This notice is from Mrs. Loraine Murphy, who has proposed the appointment of Mr. Murphy as a Director each year since 1999. Mr. Murphy's name first went before shareholders for appointment as a Director, on foot of a similar notice from a shareholder, in 1988. On each occasion, the resolution has been overwhelmingly rejected by the shareholders.

By order of the Board  
**David O'Callaghan**  
Company Secretary

NOTES

1. A member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend, speak and vote instead of the member. A proxy need not be a member of the Company.
2. To be entitled to attend and vote at the Meeting (and for the purpose of determining the number of votes that may be cast by ordinary shareholders), ordinary shareholders must be entered on the Register of Members at close of business on 26th April 2010.
3. Completion and return of this Form will not prevent a member from attending and voting in person at the meeting.
4. CREST members may appoint one or more proxies through the CREST electronic proxy appointment service in accordance with the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members who have appointed a voting service provider(s) should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. Further information on CREST procedures and requirements is contained in the CREST Manual. The message appointing a proxy(ies) must be received by the Registrar (3RA50) not later than 11.00 a.m. on Monday, 26<sup>th</sup> April 2010. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp generated by the CREST system) from which the Registrar is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. The Company may treat as invalid a proxy instruction in the circumstances set out in Regulation 35(5)(a) of the Companies Act 1990 (Uncertificated Securities) Regulations 1996.

Bankcentre,  
Ballsbridge,  
Dublin 4.  
16<sup>th</sup> March 2010

**Shareholder information, including the Annual Financial Report, is available on AIB's website at [www.aibgroup.com/investorrelations](http://www.aibgroup.com/investorrelations).**