

For Immediate Release

22nd June 2011

Allied Irish Banks, p.l.c. ("AIB")[NYSE:AIB]



ALLIED IRISH BANKS, P.L.C.

**EXERCISE OF CALL OPTION IN RELATION TO THE REMAINING PRINCIPAL AMOUNT
OUTSTANDING OF ITS**

€500,000,000 7.50 per cent. Step-Up Callable Perpetual Reserve Capital Instruments (ISIN: XS0120950158)
(the "**Perpetual RCIs**")

U.S.\$100,000,000 Subordinated Primary Capital Perpetual Floating Rate Notes (ISIN: IE0000189625)
(the "**Perpetual Dollar Notes**" and together with the Perpetual RCIs, the "**Notes**")

Allied Irish Banks, p.l.c. (the "**Bank**") gives notice that on 27 June 2011 it will redeem the outstanding principal amount of each series of Notes listed below at the relevant redemption price per nominal amount of Notes specified below pursuant to the Terms and Conditions of each such series (as amended by the Extraordinary Resolution passed at a meeting of the relevant holders of the Notes held on 16 June 2011 details of which were set out in the Bank's announcement of 16 June 2011).

Description of the Notes	Common code/ISIN	Redemption price per nominal amount
€500,000,000 7.50 per cent. Step-Up Callable Perpetual Reserve Capital Instruments	012095015/ XS0120950158	€0.01 per €1,000
U.S.\$100,000,000 Subordinated Primary Capital Perpetual Floating Rate Notes	001056093/ IE0000189625	U.S.\$0.01 per U.S.\$1,000

The Principal Paying Agent for the Notes is:

The Bank of New York Mellon

One Canada Square
London E14 5AL

This notice does not constitute an offer to sell or buy or the solicitation of an offer to sell or buy the Notes.

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