



For Immediate Release

1 July 2011

Allied Irish Banks, p.l.c. ("AIB")

Subordinated Liabilities Order issued by the High Court of Ireland on 14 April 2011

Allied Irish Banks p.l.c. ("AIB") [NYSE:AIB] notes today's settlement of the proceedings before the High Court of Ireland (the "Court") involving Aurelius Capital Master Ltd (and related parties) and the Minister for Finance of Ireland. The Court has today declared that the subordinated liabilities order issued by the Court on 14 April 2011 under the Credit Institutions (Stabilisation) Act 2010 (the "SLO") in respect of (i) AIB's £368,253,000 12.5 per cent. Subordinated Notes due 25 June 2019 (ISIN: XS0435957682) and (ii) AIB's €868,518,000 12.5 per cent. Subordinated Notes due 2015 (ISIN: XS0435953186) (together, the "Subordinated Liabilities") is effective as of 22 April 2011 to amend the terms of the Subordinated Liabilities as follows:

- (i) any interest that may fall due on such liabilities will only be payable at the option of AIB (in its sole discretion); and
- (ii) the maturity date of each such liability has been extended to 25 June 2035.

Further to AIB's announcement of 22 June 2011 and in accordance with the amendments effected by the SLO, no payment of interest which would otherwise have been due on 25 June 2011 will be made by AIB in relation to the £368,253,000 12.5 per cent. Subordinated Notes due 25 June 2019 (ISIN: XS0435957682).

AIB notes that the SLO is now effective as from 22 April 2011 in respect of all 18 series of Notes which were the subject of the Tender and Consent Memorandum dated 13 May 2011 issued by AIB.

-ENDS-

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