



AIB issue of shares in lieu of cash dividends will not proceed

21st September 2001

Allied Irish Banks, p.l.c. ("AIB") has today announced that its offer of new shares in lieu of cash dividends made to shareholders in respect of the Bank's interim dividend of €0.154 per share will not proceed. The dividend, payable on 28 September 2001, will therefore be paid entirely in cash.

Under the terms of the Bank's Dividend Reinvestment Plan, shareholders were offered new shares, in lieu of cash, at a price of €12.54 per share. The offer price, set in accordance with the rules of the Plan, was based on the market price of the Bank's shares in early August.

Following the general fall in equity markets resulting in the AIB share price being significantly below the offer price, the Directors have decided, in the interests of Plan participants, to withdraw the share offer and to pay the dividend wholly in cash. This will enable such shareholders, should the share price remain at its current level, to acquire shares in the market at less than the offer price.

A special facility is being put in place by AIB's stockbroking subsidiary, Goodbody Stockbrokers, under which shareholders may acquire shares up to the value of their (net) dividends at a reduced commission charge.

Where shareholders have completed mandates requesting that future dividends be paid in new shares instead of cash, those mandates remain valid for future use.

Ends

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