



**AIB - Group Tier 1 Capital Raising
10th December 2004**

Allied Irish Banks, p.l.c. ("AIB") [NYSE:AIB] today announces the issue of €1,000 million perpetual preferred securities.

The issue qualifies as Tier 1 Capital for the AIB Group and will be primarily employed in financing the strong demand from our customers for additional borrowing facilities.

This funding is very attractively priced for a perpetual issue, with an initial coupon for the first ten years of 4.781% and, thereafter, coupon will be set at a spread of 1.1% over 3-month EURIBOR.

This is AIB's largest perpetual capital issue and the pricing compares very favourably with market norms.

The AIB Group Tier 1 ratio is estimated at 7.5% approx. following completion of this transaction.

-Ends-

Declan McSweeney
Chief Financial Officer
AIB Group
Bankcentre
Ballsbridge
Dublin 4
Tel: +353-1-6600311 Ext 14954

Or

Alan Kelly
Head of Group Investor Relations
AIB Group
Bankcentre
Ballsbridge
Dublin 4
Tel: +353-1-6600311 Ext 12162