



AIB - Capital Raising Update

27th July 2011

Allied Irish Banks, p.l.c. ("AIB") [NYSE:AIB] announces that, further to its announcement on 1 July 2011, and following the approval by AIB shareholders of all resolutions at the extraordinary general meeting on 26 July 2011 required to implement AIB's capital raising (as announced on 1 July 2011), it has today issued 500,000,000,000 Ordinary Shares of EUR 0.01 each (following renominialisation of AIB's Ordinary Shares from EUR 0.32 each to EUR 0.01 each (the "Renominialisation")) to the National Pensions Reserve Fund Commission (the "NPRFC") at a subscription price of EUR 0.01 per share (the "Placing") and EUR 1.6 billion of contingent capital notes at par to the Minister for Finance (the "Minister") (the "Contingent Capital Notes Issue"), raising in aggregate proceeds of EUR 6.6 billion (together, the "Capital Raising").

In addition, further to its announcement on 13 May 2011, AIB has issued today an additional 762,370,687 new Ordinary Shares to the NPRFC in lieu of the remainder of the 2011 annual cash dividend on the 2009 Preference Shares that was deferred on 13 May 2011 (the "2011 Bonus Issue"). The 2011 Bonus Issue includes an increment of 38,118,534 new Ordinary Shares prescribed by AIB's articles of association as a result of the 2011 annual cash dividend not being satisfied in full on the due date. This represents an increase of 1,905,926 shares over the figure included in AIB's shareholder circular dated 1 July 2011 as a result of finalisation of calculations of the number of Ordinary Shares to be issued in lieu of the 2011 Bonus Issue.

Following the Placing and the 2011 Bonus Issue, the NPRFC's shareholding in the enlarged total issued ordinary share capital of AIB has increased from c.93.1% to c.99.8%. AIB now has 513,493,126,277 Ordinary Shares of €0.01 each in issue (excluding 35,680,114 treasury shares).

AIB has today applied to the Irish Stock Exchange (the "ISE") to list the new Ordinary Shares issued in connection with the Placing and the 2011 Bonus Issue on the Enterprise Securities Market of the ISE (the "ESM") and to admit those Ordinary Shares to trading on the ESM. It is expected that admission will occur at 8.00 a.m. on 2 August 2011.

In addition, following the Renominialisation, AIB has today acquired 395,759,506,824 Deferred Shares for nil consideration and immediately cancelled them in accordance with its articles of association, as described in the shareholder circular issued by AIB on 1 July 2011. Subject to the confirmation of the High Court, AIB intends to write off accumulated losses through the cancellation of the capital redemption reserve created on the acquisition and cancellation of the Deferred Shares in due course.

AIB is required to raise a total of c.EUR 14.8 billion of Core Tier 1 Capital, of which EUR 1.6 billion may be in the form of contingent capital, by 31 July 2011 (the "PCAR Requirement"). As announced on 1 July 2011, the Minister has indicated his intention to make a capital contribution in favour of AIB in order to satisfy any portion of the PCAR Requirement not satisfied by the Capital Raising,

other capital generating exercises undertaken by AIB and EBS Limited (formerly EBS Building Society) and further burden-sharing measures undertaken with the Group's subordinated debt holders. AIB expects the Minister and the NPRFC to provide capital contributions to AIB shortly in order to satisfy the portion of the PCAR Requirement not already satisfied (the "Capital Contributions").

Once the proceeds of the Capital Raising and the Capital Contributions have been received, AIB expects that it will have the necessary capital to meet the PCAR Requirement.

AIB's Board of Directors acknowledges the continued support of the Minister and the Irish State.

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