

For Immediate Release

3rd May, 2012

AIB cancels its capital redemption reserve fund and part of its share premium account

Allied Irish Banks, p.l.c. ("AIB") makes the following announcement further to Resolution 7 passed at its Extraordinary General Meeting held on 26 July 2011. The Irish High Court today, confirmed the application by AIB to cancel its capital redemption reserve fund of \notin 3,957,595,068.24 and \notin 2bn of its share premium account. The reserve resulting from those cancellations will be used to eliminate permanent losses and be treated as distributable reserves.

The implementation of the Court Order will have no impact on the Group's capital ratios.

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