

ALLIED IRISH BANKS PLC  
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**5 October 2010**

**For Immediate Release**

**AIB Announces Proposed Disposal of the M&T Shareholding**

DUBLIN, Ireland (5 October 2010) Allied Irish Banks, p.l.c. ( AIB ) [NYSE:AIB] announces that it has commenced the disposal process for its 22.4 per cent shareholding in M&T Bank Corporation ( M&T ) ( M&T Shareholding ). The disposal is subject to AIB shareholder approval, and is taking the form of a public offering in the United States of 26,700,000 contingent mandatorily exchangeable notes ( Notes ) exchangeable for the shares of common stock of M&T currently owned by AIB ( M&T Shares ). The Notes constitute AIB debt instruments and investors will be issued one Note for each underlying M&T Share. The Notes will be governed by New York law and listed on the New York Stock Exchange.

Morgan Stanley & Co. Incorporated and Citigroup Global Markets Inc. are acting as underwriters and joint bookrunning managers for the Notes offering.

**Additional Information**

AIB has filed a registration statement (including a prospectus) with the U.S. Securities and Exchange Commission (SEC) for the offering to which this communication relates. Before you invest, you should read the preliminary prospectus supplement dated October 5, 2010, the accompanying prospectus dated June 2, 2008 and the other documents we have filed with the SEC for more complete information about AIB and this offering. You may get these documents for free by visiting EDGAR on the SEC Web site at [www.sec.gov](http://www.sec.gov). Alternatively, AIB, any underwriter or any dealer participating in the offering will arrange to send you the prospectus if you request it by contacting Morgan Stanley, 180 Varick Street #2F, New York, New York 10014, Attention: Prospectus Department (email: [prospectus@morganstanley.com](mailto:prospectus@morganstanley.com)), telephone 1-866-718-1649 or Citi, Brooklyn Army Terminal, 140 58th Street, Brooklyn, New York 11220, Attention: Prospectus Department, (800) 831-9146 (email: [batprospectusdept@citi.com](mailto:batprospectusdept@citi.com)). A further announcement will be made on pricing of the Notes.

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