For Immediate Release **09 May 2012**

AIB – announces €395m equivalent of Sterling UK Prime RMBS public bond issue: Tenterden Funding PLC

Allied Irish Banks, p.l.c. ("AIB") today closed its first public securitisation of Prime UK residential mortgages. This 3 year AAA rated deal was priced at Libor plus 250bps with interest from a wide range of international investors.

David Duffy, Chief Executive of AIB, said:

"This is a positive return to the markets for AIB and forms part of our longer term, diversified, funding strategy. It is also a further indicator of the improving international sentiment towards Ireland and the Irish financial system."

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