



FOR IMMEDIATE RELEASE

19 November 2015

AIB issues EUR €750 million of subordinated Tier 2 notes due 2025.

Allied Irish Banks, p.l.c. ("AIB") today successfully completed the issue of €750 million fixed rate resettable subordinated notes (Tier 2) with a maturity of 10 years, with one call option after 5 years and a coupon fixed at 4.125%.

The transaction was arranged by Morgan Stanley, Deutsche Bank, BNP, Nomura, UBS and Goodbody Stockbrokers and attracted over €5bn of total demand from a diverse range of international investors. Final pricing was at 395bps over mid swaps with yield of 4.153% and the final order book at these pricing levels was in excess of 6 times over-subscribed.

Commenting on the transaction, Mark Bourke, Chief Financial Officer said: *"The return of AIB to the subordinated debt market has been eagerly awaited by investors who have acknowledged the progress that the Bank has made in recent years. The transaction attracted significant interest with a high quality mix of over 300 investors from 26 countries. This is a very strong endorsement of the positive trajectory of the AIB credit story by overseas investors."*

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For further information please contact:

Mark Bourke
Chief Financial Officer
AIB Bankcentre
Dublin
Tel: +353-1-6412195
email:
mark.g.bourke@aib.ie

Donal Galvin
Head of Treasury
AIB Bankcentre
Dublin
Tel: +353-1-6418300
email :
donal.j.galvin@aib.ie

Rose O'Donovan / Niamh Hore
Investor Relations
AIB Bankcentre
Dublin
Tel: +353-1-6414191 /6411817
email :
rose.m.o'donovan@aib.ie
niamh.a.hore@aib.ie

Niamh Hennessy
Media Relations Manager
AIB Bankcentre
Dublin
Tel: +353-1-7721382
email:
niamh.n.hennessy@aib.ie

Important Information and Forward Looking Statement

AIB has c.523 billion ordinary shares, 99.8% of which are held by the Ireland Strategic Investment Fund (ISIF), mainly following the issue of 500 billion ordinary shares to the National Pension Reserve Fund Commission (predecessor to the ISIF) at €0.01 per share in July 2011.

This document contains certain forward-looking statements with respect to the financial condition, results of operations and business of AIB Group and certain of the plans and objectives of the Group. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements sometimes use words such as 'aim', 'anticipate', 'target', 'expect', 'estimate', 'intend', 'plan', 'goal', 'believe', 'may', 'could', 'will', 'seek', 'continue', 'should', 'assume', or other words of similar meaning. Examples of forward-looking statements include, among others, statements regarding the Group's future financial position, capital structure. Government shareholding in the group, income growth, loan losses, business strategy, projected costs, capital ratios, estimates of capital expenditures, and plans and objectives for future operations. Because such statements are inherently subject to risks and uncertainties, actual results may differ materially from those expressed or implied by such forward-looking information. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements. These are set out in the Principal Risk and Uncertainties on pages 51 to 56 in the 2014 Annual Financial Report. In addition to matters relating to the Group's business, future performance will be impacted by Irish, UK and wider European and global economic and financial market considerations. Any forward-looking statements made by or on behalf of the Group speak only as of the date they are made. The Group cautions that the list of important factors on pages 51 to 56 of the 2014 Annual Financial Report is not exhaustive. Investors and others should carefully consider the foregoing factors and other uncertainties and events when making an investment decision based on any forward-looking statement.