



For immediate release

17 December 2015

ALLIED IRISH BANKS, P.L.C. (“AIB”) – RETURNS SIGNIFICANT CAPITAL TO THE STATE

The Board of AIB (“Board”) confirms that the payments in respect of the approved capital reorganisation have now completed. These include:

- €1.7 billion from the partial redemption of the 2009 Preference Shares and
- €166 million of accrued dividends on the 2009 Preference Shares

These payments are offset by €225 million related to the redemption and cancellation of the outstanding EBS Promissory Note by the Government.

The completion of these payments and the other capital reorganisation measures have simplified and strengthened the Group’s capital structure, leaving it well-positioned for a return to private ownership over time.

AIB’s Chief Executive Officer, Bernard Byrne, said *“Today’s payments to the State are an extremely important milestone in the progress of AIB and demonstrate the extent to which AIB has recovered to become a sustainable, profitable bank, focused on supporting Ireland’s economic growth and delivering the professional service that our customers expect.”*

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Forward-looking Statement

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 30 to 38 in the AIB Half-Yearly Financial Report 2015. 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 30 to 38 of the AIB Half-Yearly Financial Report 2015 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.