



FOR IMMEDIATE RELEASE

26 November 2015

**AIB issues EUR 500 million of Fixed Rate Reset AT1 Perpetual Contingent Temporary Write-down Securities.**

Allied Irish Banks, p.l.c. ("AIB") today successfully agreed to issue €500 million fixed rate resettable AT1 perpetual contingent temporary write-down securities. The coupon for the initial fixed rate period until December 2020 has been fixed at 7.375%.

The transaction was arranged by Morgan Stanley, Deutsche Bank, Bank of America Merrill Lynch, HSBC, Davy and Goodbody Stockbrokers and attracted circa €4.75bn of total demand from a diverse range of international investors. Final pricing was at a yield of 7.375% and the final order book at this pricing level was more than nine times over-subscribed. This again is a very strong endorsement of AIB's progress in recent years.

The completion of this transaction and last week's equally successful Tier 2 transaction puts AIB in a position to return €1.7 billion of capital to the State by the end of 2015. The AT1 and Tier 2 capital raising transactions are key actions in the simplification of the bank's capital structure. Other capital measures, which include the partial conversion and redemption of the remainder of the 2009 Preference shares, are expected to complete prior to year end, subject to shareholder approval at an Extraordinary General Meeting on the 16<sup>th</sup> of December 2015.

Commenting on the transaction, Bernard Byrne, Chief Executive Officer said: *"The outstanding success of our two recent capital raising transactions is very encouraging. The results demonstrate market confidence in AIB as an issuer. The significant participation by overseas investors, in both transactions, is an endorsement and acknowledgement of the progress that the Bank has made in recent years in restructuring and repositioning itself as a sustainable, profitable and investable business. These issuances are key stepping stones in ensuring the completion of the simplification of our capital structure by the end of 2015. This will enable the repayment of capital to the State and positions us well for a return to private ownership."*

For further information on the capital reorganisation and other previous announcements please [click here](#)

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## **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.