



## **EUR 100 million for AIB to support SMEs**

**21st October 2002**

Luxembourg, 21st October 2002 – The European Investment Bank (EIB) is lending EUR 100m to Allied Irish Banks p.l.c. (AIB) to boost investment by small and medium-scale enterprises in Ireland. AIB will handle the funds, in the form of a global credit facility, which they on-lend to individual SMEs. AIB is one of the major providers of banking services to the small and medium-sized business sector in Ireland.

The EIB financing is to be earmarked for productive capital investments by SMEs, with the aim of generating growth and employment by increasing their productivity and competitiveness.

The loan was signed by EIB Vice-President Michael G. Tutty, and Donal Forde, Managing Director, AIB Bank (RoI) in Dublin today.

Michael G. Tutty said:

"EIB is pleased to support the significant investment by AIB in the development of the SME sector through long and medium term loan facilities from EIB itself, as well as through equity investment and guarantee schemes by our subsidiary, the European Investment Fund, in which AIB is also a shareholder. We are delighted to increase the joint EIB/AIB financing of the SME sector which plays such a significant role in creating jobs and developing the economy, particularly so in the less-developed areas of Ireland, Northern Ireland as well as Great Britain."

At the signing of the loan Donal Forde said:

"Through EIB funding we can now offer a range of long term lending options and an expanded range of rate options which are particularly suited for borrowers involved in long term capital intensive projects." He added that "the new tranche of funds was in addition to six other loan agreements that had been co-signed with the European Investment Bank stretching back to 1992."

**- Ends -**

Background:

The EIB is owned by the EU Member States. Set up in 1958, its mission is to contribute to the EU's policy objectives by financing sound investment. Though a not-for-profit organisation, it is self-financing, raising its funds by borrowing on capital markets.

EIB's key operational objectives are to finance: regional development and economic and social cohesion of the EU, including integration of Candidate countries; knowledge and R&D intensive industries; environmental protection and improvement; improved international competitiveness of industry; SMEs; trans-European networks in transport, telecom and energy; human capital:

education and health. EIB also supports the EU's development and co-operation policies in Partner Countries outside the EU by providing finance under mandate.

The European Investment Fund (EIF), in which the EIB has a majority stake, is the EU specialised vehicle providing venture capital and guarantee instruments, mainly for small and medium sized enterprises.

For further information, please contact EIB in Luxembourg, Patricia Tibbels, tel. 00352/4379-4317, website: <http://www.eib.org>. For EIF website: <http://www.eif.org>.

AIB Group is Ireland's leading banking and financial services organisation. It operates principally in Ireland, Britain, Poland and the USA. It employs almost 30,000 people worldwide in more than 1,000 offices. The group operates through six main divisions.

AIB Bank (RoI) division consists of the group's retail and commercial activities in the Republic of Ireland. It also includes Ark Life, AIB's life and pensions subsidiary, and other specialist businesses offering credit cards, car finance & leasing products, home mortgages and other services.

AIB Bank (GB&NI) division provides retail and commercial banking services in Great Britain, under the name Allied Irish Bank (GB) and in Northern Ireland where AIB Bank trades as First Trust Bank.

AIB Capital Markets division comprises the Treasury and International, Investment Banking and Corporate Banking activities of the group.

USA division includes Allfirst and AIB's American outlets. In September 2002, AIB announced that Allfirst is to be merged with M&T Bank Corporation. AIB will have a 22.5% stake in M&T which is headquartered in Buffalo, New York, and has branches in New York, Pennsylvania, Maryland and West Virginia. There are also offices in New York, Chicago, Philadelphia, Atlanta, San Francisco and Los Angeles trading under the Allied Irish Bank banner.

Poland division refers to AIB's majority shareholding in Bank Zachodni WBK, the bank formed of the merger of Wielkopolski Bank Kredytowy based in Poznan and Wroclaw-based Bank Zachodni.

Finance, Risk & Enterprise Technology division brings together many of AIB Group's IT functions and its finance and risk areas.

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