



AIB to acquire AmCredit
29th June 2007

Allied Irish Banks, p.l.c. ("AIB") [NYSE: AIB] has entered into an agreement to acquire AmCredit, the mortgage finance business of the Baltic-American Enterprise Fund ("BalAEF").

The business, which has a strong track record in mortgage lending, operates in Latvia, Lithuania, and Estonia. It was established in 1997. BalAEF is a Delaware corporation chartered in 1994, pursuant to legislation enacted by the U.S. Congress to promote private sector development in the Baltic States. The International Finance Corporation (the private sector arm of the World Bank Group) has played an important role in its development over the years.

AmCredit, which has 13 outlets and 145 staff, will give AIB entry to three high growth markets underpinned by an experienced workforce, robust systems and processes and an established brand. The consideration for the transaction, which will comprise both up-front and earn-out components, is expected to be in the order of €40m.

AmCredit currently operates as a single product mortgage business. AIB will seek regulatory approval to operate through a branch in each country and in time expand the range of banking products sold.

The transaction is subject to the completion of the requisite regulatory approvals.

Eugene Sheehy, CEO of AIB said: "We look forward to working with AmCredit's management and staff in the development of the business in the years ahead. AmCredit gives us an established foothold in the high-growth Baltic market and an opportunity to develop our business in a market contiguous to our Polish operations. We plan to grow its business and to expand the range of banking products sold into these new markets."

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