



AIB has approved EUR5.6bn in business credit to the SME sector ("AIB")

28th December 2014

ALLIED IRISH BANKS, p.l.c. ("AIB")

Approvals of almost EUR600 million in November

AIB is continuing to see a significant uplift in the Small and Medium Enterprise (SME) market and has approved EUR5.6bn in credit to the sector this year to the end of November, which represents a 52% increase on 2013 levels. AIB also announced that it had approved EUR586 million in credit to the SME sector in November.

Recent economic indicators point toward rising business and consumer confidence leading to increases in domestic demand. AIB is seeing this demand materialise across a range of SME sectors including:

- Agriculture, and in particular the dairy sector, as farmers invest in their operations ahead of the planned removal of milk quotas in 2015.
- Transport Light Commercial Vehicle registrations are up 52% year on year and Heavy Goods Registrations up 20% as operators replace their fleets.
- Retail Investment in existing operations and new operations in the convenience retail sector.
- Hospitality A significant increase in foreign visitors is prompting investment in existing operations. There has also been an increase in the purchase and sale of pubs and hotels.

AIB is also seeing an uplift in construction activity in the residential and commercial real estate sectors. This activity is in response to the underlying shortage in the supply of properties.

AIB has launched a series of SME funds to support key sectors to stimulate demand through the availability of funding for investment and working capital.

- AIB launched a EUR500m Agri fund in April and by the end of November circa EUR250m had been utilised.
- AIB launched a EUR350m residential property fund in February and has an active pipeline of over EUR170m in customer projects.
- The export sector is key to growth for the Irish economy and AIB launched a EUR200m export fund in June. By the end of September the fund had approved circa EUR25m in export finance.
- AIB launched a EUR200m energy fund to support the investment in renewable energy such as wind farms and anaerobic digesters. To the end of November EUR80m of credit has been approved for projects.

AIB is focused on supporting and supplying credit to SMEs whose current bank is exiting the Irish market and continues its commitment to providing restructuring solutions to SME customers in difficulty, allowing them to focus again on their core business.

AIB is optimistic on the outlook for the SME sector after a period of economic challenges.

AIB Head of Business Banking Ken Burke said: "These approval figures are a reflection of the increasing demand for credit across the economy. AIB is optimistic about the outlook for the broader SME sector. We are backing SMEs who have persevered during difficult times and we have been rolling out a series of initiatives to support our customers such as delivery within 48 hours of credit decisions for SME loans up to EUR30k. We have equipped our staff with in-depth sectoral knowledge to enhance their understanding of our customers' needs."

Ends

Further information:

Kathleen Barrington,

AIB Press Office

Corporate Affairs and Strategy

F4 Bankcentre

Tel: 01 7721382