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AIB PAYS CASH DIVIDEND ON 2009 PREFERENCE SHARES

As previously announced on 5th March 2015, following Board approval on 4th March 2015, Allied Irish Banks, p.l.c. (“AIB”) confirms that the €280 million cash dividend on the €3.5 billion 2009 Preference Shares due on 13th May 2015 was paid to the National Treasury Management Agency (NTMA) as controller and manager of the Ireland Strategic Investment Fund. This is the first time this dividend has been paid by AIB in cash and is reflective of the progress and improved performance of AIB Group.

AIB remained profitable and capital generative in Quarter 1, 2015 and, as previously reported on 1 May 2015, the Group’s fully loaded CET1 capital ratio at the end of March 2015, including the Preference Shares, was approximately 12.2% versus 11.8% at 31 December 2014. Both of these ratios reflect the payment of the dividend on the 2009 Preference Shares in May 2015.

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Important Information & Forward-looking Statement

AIB currently has 523,438,445,437 (excluding 35,680,114 treasury shares) ordinary shares in issue, of which 99.8% are held by the Ireland Strategic Investment Fund (ISIF), mainly following the issue of 500 billion ordinary shares to the National Pensions Reserve Fund Commission (predecessor to the ISIF) at €0.01 per share in July 2011.

Based on the number of shares currently in issue and the closing share price of 13 May 2015, AIB trades on a valuation multiple of c.6x (excluding 2009 Preference Shares) its 31 December 2014 Net Asset Value (NAV). The Group continues to note that the median for comparable European banks is c.1x NAV.

This statement 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.