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Terms used and not otherwise defined in this announcement have the meaning given to such terms in the circular published by Allied Irish Banks, p.l.c. on 10 October 2017.



11 December 2017

**ALLIED IRISH BANKS, P.L.C. (“AIB Bank”)  
AIB GROUP PLC (“AIB HoldCo”)**

**Update on the resolution strategy for AIB Bank and its subsidiaries (“AIB” or the “AIB Group”)  
and admission to trading of the AIB HoldCo Shares**

The scheme of arrangement pursuant to which AIB HoldCo is introduced as the holding company of the AIB Group became effective at 6 p.m. on Friday, 8 December 2017 (the “**Scheme Effective Date**”). Trading in ordinary shares in AIB HoldCo (“**AIB HoldCo Shares**”) will commence at 8.00 a.m. today, Monday, 11 December 2017.

**Settlement of AIB HoldCo Shares**

In accordance with the terms of the Scheme, AIB Bank Shareholders (other than AIB HoldCo) (“**Scheme Shareholders**”) at 6.00 p.m. on Friday, 8 December 2017 have been issued with one AIB HoldCo Share for every AIB Bank Share held at such time.

Scheme Shareholders who held their AIB Bank Shares in uncertificated form will have their CREST accounts credited with their entitlement to AIB HoldCo Shares today Monday, 11 December 2017. Scheme Shareholders who held their AIB Bank Shares in certificated form will be issued with share certificates in respect of their AIB HoldCo Shares in January 2018.

Shareholders are advised that all instructions, mandates, elections, communication preferences and group requirements relating to notices and other communications in respect of ordinary shares in effect on the Scheme Effective Date will, unless and until varied or revoked, be deemed from the Scheme Effective Date to be valid and effective mandates or instructions to AIB HoldCo in relation to the corresponding holding of AIB HoldCo Shares.

**Cancellation of listing of AIB Bank Shares**

Friday, 8 December 2017 was the last day of trading in AIB Bank Shares and the AIB Bank Shares will therefore be delisted from the primary listing segment of the Official List of the Irish Stock Exchange and the premium listing segment of the Official List of the FCA and from trading on the Irish Stock Exchange’s main securities market and the London Stock Exchange’s main market for listed securities with effect from 8.00 a.m. today. AIB Bank Shares in uncertificated form have been disabled in CREST. In

accordance with the terms of the Scheme, the Cancellation Shares have been cancelled and 2,714,381,237 AIB Bank Shares have been issued to AIB HoldCo.

### **Admission to trading of AIB HoldCo Shares**

With effect from 8.00 a.m. today, Monday 11 December 2017, the entire issued ordinary share capital of AIB HoldCo will be admitted to the primary listing segment of the Official List of the Irish Stock Exchange and to the premium listing segment of the Official List of the FCA and to trading on the Irish Stock Exchange's main securities market and the London Stock Exchange's main market for listed securities.

The AIB HoldCo Shares are registered under ISIN: IE00BF0L3536 for both the Irish Stock Exchange and the London Stock Exchange. The SEDOL for the Irish Stock Exchange will be BF0L353. The SEDOL for the London Stock Exchange will be BF4KR65. The TIDM for AIB HoldCo Shares on the Irish Stock Exchange and the London Stock Exchange will be AIBG.

### **Share capital/Voting rights**

AIB HoldCo confirms that the total number of AIB HoldCo Shares in issue at 11 December 2017 is 2,714,381,237 with a nominal value of €2.47 each, with each AIB HoldCo Share carrying the right to one vote. AIB HoldCo does not hold any AIB HoldCo Shares in treasury. AIB HoldCo also confirms that it has 40,000 Subscriber Shares in issue with a nominal value of €0.625 each, which shares carry no voting or income rights and have only limited rights on a return of capital. The 40,000 Subscriber Shares will be redeemed at par and cancelled at an appropriate time. AIB HoldCo does not hold any subscriber shares in treasury.

In accordance with the requirements of the Transparency (Directive 2004/109/EC) Regulations 2007 (as amended) (the "**Irish Transparency Regulations**"), each major shareholder in AIB Bank, who following the Scheme becoming effective became a major shareholder in AIB HoldCo, is required to file a Form TR-1 to reflect its holding of shares in AIB HoldCo on the Scheme becoming effective. The Form TR-1 should be sent to both AIB HoldCo and to the Central Bank of Ireland as soon as possible but not later than 13 December 2017.

The figure which may be used by shareholders as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in AIB HoldCo under the Irish Transparency Regulations and the Transparency Rules issued by the Central Bank of Ireland thereunder (the "**Irish Transparency Rules**") is, therefore, 2,714,381,237.

### **AIB HoldCo Reduction of Capital**

AIB HoldCo has sought the approval of the High Court for a reduction of AIB HoldCo's share capital by reducing the nominal value of the AIB HoldCo Shares from €2.47 to €0.625 (i.e. thereby replicating the nominal value of AIB Bank Shares). The High Court hearing for such purpose is scheduled to occur on Wednesday, 13 December 2017 and a further announcement will be made following such hearing.

### **Transparency Directive**

In conformity with Regulation 2A(4)(a) of the Irish Transparency Regulations, AIB HoldCo notifies the public that its Home Member State for the purposes of the Irish Transparency Regulations, the Irish Transparency Rules and the Transparency Directive (Directive 2004/109/EC) is Ireland.

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## **FORWARD-LOOKING STATEMENTS**

This announcement may contain certain forward-looking statements with respect to the financial condition, results of operations and business of the AIB Group and certain plans and objectives of the AIB Bank Board or the AIB HoldCo Board. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements often use words such as “anticipate”, “target”, “expect”, “estimate”, “intend”, “plan”, “goal”, “believe”, “will”, “may”, “should”, “would”, “could”, their negative or other variations or other words of similar meaning. These statements are based on assumptions and assessments made by the AIB Bank Board or (as the case may be) the AIB HoldCo Board in light of their respective experiences and its perceptions of historical trends, current conditions, expected future developments and other factors they believe appropriate. By their nature, forward-looking statements involve risk and uncertainty and the factors described in the context of such forward-looking statements in this announcement could cause actual results or developments to differ materially from those expressed in, reflected or contemplated in, or implied by, such forward-looking statements. As a result, investors should not rely on such forward-looking statements in making their investment decisions. No representation or warranty is made as to the achievement or reasonableness of, and no reliance should be placed on, such forward-looking statements.

Should one or more of these risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary materially from those described in this announcement. None of AIB Bank, the AIB Bank Board, AIB HoldCo or the AIB HoldCo Board assume any obligation to update or correct the information contained in this announcement, whether as a result of new information, future events or otherwise, except to the extent legally required.

The statements contained in this announcement are made as at the date of this announcement, unless some other time is specified in relation to them, and publication of this announcement shall not give rise to any implication that there has been no change in the facts set out in this announcement since such date. Nothing contained in this announcement shall be deemed to be a forecast, projection or estimate of the future financial performance of the AIB Group except where expressly stated.

## **IMPORTANT NOTICES**

The information contained in this announcement is for background purposes only and does not purport to be full or complete. No reliance may be placed for any purpose on the information contained in this announcement or its accuracy, fairness or completeness.

The contents of this announcement are not to be construed as legal, financial or tax advice. Each prospective investor should consult his own legal adviser, financial adviser or tax adviser for legal, financial or tax advice, respectively.

Goodbody Stockbrokers UC (“**Goodbody**”), trading as Goodbody, is authorised and regulated in Ireland by the Central Bank of Ireland and in the UK is authorised and subject to limited regulation by the Financial Conduct Authority (“**FCA**”), is acting exclusively for AIB Bank and AIB HoldCo as joint Irish sponsor and joint UK sponsor, and no one else in connection with the matters referred to in this announcement. It will not regard any other person (whether or not a recipient of the Prospectus) as a client in relation to the matters referred to in this announcement and will not be responsible to anyone other than AIB Bank and AIB HoldCo for providing the protections afforded to its clients for the contents of this announcement or for providing any advice in relation to this announcement or the matters referred to in this announcement. Neither Goodbody, nor any of its directors, officers, employees, advisers, agents, affiliates nor any other person acting on its behalf accepts any responsibility or liability whatsoever for, or makes any representation or warranty, express or implied, in respect of, either the contents of this announcement including its truth, accuracy, fairness or completeness (or as to whether any information has been omitted) or any other information relating to AIB Bank or AIB HoldCo, or on behalf of either of them, in connection with either AIB Bank or AIB HoldCo, whether written, oral or in a visual or electronic form, and howsoever transmitted or made available or for any loss howsoever arising from any use of this announcement or its contents or otherwise arising in connection therewith.

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## **NOTICE TO OVERSEAS INVESTORS**

The release, publication or distribution of this announcement and the documents referred to herein in jurisdictions other than Ireland and the United Kingdom may be restricted by law and therefore persons into whose possession any of this announcement and the documents referred to herein come should inform themselves about, and observe, any applicable restrictions or requirements. Any failure to comply with such restrictions may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, AIB Bank and AIB HoldCo disclaim any responsibility or liability for the violation of such requirements by any person.

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## **NOTICE TO INVESTORS IN THE UNITED STATES**

The Scheme relates to the shares of an Irish company (a “foreign private issuer” as defined under Rule 3b-4 under the U.S. Securities Exchange Act of 1934 (the “**Exchange Act**”)) and is proposed to be made by means of a scheme of arrangement and related reduction of capital of AIB Bank provided for under, and governed by, Irish law. Neither the proxy solicitation rules nor the tender offer rules under the Exchange Act will apply to the Scheme. Accordingly, the AIB HoldCo Shares to be issued pursuant to the Scheme have not been and will not be registered under the U.S. Securities Act of 1933 (the “**Securities Act**”) or under the relevant securities laws of any State or territory or other jurisdiction of the United States, and are expected to be offered in the United States in reliance upon the exemption from the registration requirements of the Securities Act provided by section 3(a)(10) thereof and exemptions provided under the laws of the States of the United States in which eligible Scheme Shareholders may reside.

The AIB HoldCo Shares to be issued under or in connection with the Scheme to a Scheme Shareholder who is neither an affiliate, for the purpose of the Securities Act, of AIB Bank or AIB HoldCo on or prior to the time the Scheme becomes effective nor an affiliate of AIB HoldCo at the Scheme Effective Time would not be “restricted securities” under the Securities Act. Scheme Shareholders who are affiliates of AIB Bank or AIB HoldCo on or prior to the Scheme Effective Time or affiliates of AIB HoldCo after the Scheme Effective Time may, under Rule 145(d) under the Securities Act, be subject to timing, manner of sale and volume restrictions on the sale of AIB HoldCo Shares received in connection with the Scheme.

The Scheme is subject to the disclosure requirements and practices applicable in Ireland to schemes of arrangement and capital reductions, which differ from the disclosure and other requirements of U.S. securities laws.

None of the securities referred to in this announcement have been approved or disapproved by the US Securities and Exchange Commission, any state securities commission in the United States or any other US regulatory authority, nor have such authorities passed upon or determined the adequacy or accuracy of the information contained in this announcement. Any representation to the contrary is a criminal offence in the United States.