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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.



6 November 2017

**ALLIED IRISH BANKS, P.L.C. (“AIB BANK”)**

**Resolution strategy for AIB Bank and its subsidiaries (“AIB” or the “AIB Group”):  
Notification to overseas creditors**

On 2 October 2017, AIB Bank announced its intention to implement a corporate reorganisation pursuant to which a new company (AIB Group plc (“**AIB HoldCo**”)) will be introduced as the new holding company of the AIB Group. The purpose of the reorganisation is to give effect to a regulatory decision taken by AIB’s resolution authorities (the Single Resolution Board and the Bank of England) under the EU Bank Recovery and Resolution Directive (2014/59/EU) with respect to the structure of the AIB Group.

AIB Bank has applied to the High Court of Ireland (the “**Court**”) for approval of the terms of the reorganisation. The hearing will take place in the High Court, sitting at the Four Courts, Inns Quay, Dublin 7, Ireland at 10.30 a.m. on 6 December 2017. Subject to the approval of the Court, on completion of the reorganisation: 1) AIB Bank will become a wholly-owned subsidiary of AIB HoldCo, with its entire issued share capital owned by AIB HoldCo, and 2) AIB Bank shareholders (other than AIB HoldCo, which owns one share in AIB Bank) will receive an equal number of new ordinary shares in AIB HoldCo.

In order for AIB HoldCo to become the owner of the entire issued share capital of AIB Bank, the reorganisation provides for the cancellation of the current issued ordinary shares of AIB Bank (other than the one share currently held by AIB HoldCo) which will be immediately followed by the issuance by AIB Bank of an equal number of new ordinary shares to AIB HoldCo, thereby restoring the share capital of AIB Bank to the position that applied immediately prior to the reduction of capital taking effect. The AIB Bank shareholder resolutions necessary to implement the reorganisation were approved on 3 November 2017 and included a resolution approving such cancellation of ordinary shares in addition to approving the issuance of new ordinary shares.

The establishment of a new AIB Group holding company is not expected to have a material impact on AIB’s business activities or on its operating costs. On completion of the reorganisation, AIB HoldCo will not own any material assets other than the ordinary share capital of AIB Bank.

This notification is being issued as AIB Bank is required under section 85(2)(b) of the Companies Act 2014 of Ireland to notify overseas creditors of AIB Bank of the passing of the resolution to cancel the ordinary shares of AIB Bank (other than the share held by AIB HoldCo).

The cancellation and immediate issuance of ordinary shares in AIB Bank will not affect the rights of any creditor of AIB Bank and creditors of AIB Bank are not required to take any action in relation to this notice.

Further information in relation to the proposed corporate reorganisation is available on AIB's website at [www.aib.ie/investorrelations](http://www.aib.ie/investorrelations).

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For further information, please contact:

Mark Bourke  
Chief Financial Officer  
AIB Bankcentre  
Dublin  
Tel: +353-1-6412195  
email:  
[mark.g.bourke@aib.ie](mailto:mark.g.bourke@aib.ie)

Niamh Hore  
Investor Relations  
AIB Bankcentre  
Dublin  
Tel: +353-1-6411817  
email:  
[niamh.a.hore@aib.ie](mailto:niamh.a.hore@aib.ie)

Orla Bird  
Head of Communications  
AIB Bankcentre  
Dublin  
Tel: +353-1-6415375  
email:  
[orla.c.bird@aib.ie](mailto:orla.c.bird@aib.ie)

## **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.

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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.