

This announcement and the information contained herein is restricted and not for release, publication or distribution, directly or indirectly, in whole or in part, into any jurisdiction in which release, publication or distribution would be unlawful.

This announcement does not constitute a prospectus or a prospectus equivalent document. This announcement does not constitute an offer, a solicitation of an offer or an invitation to any person to subscribe for or to purchase (whether directly or indirectly) any securities. No shares in Allied Irish Banks, p.l.c. or AIB Group plc have been marketed to, nor are any such shares available for purchase by, the public in Ireland, the United Kingdom or elsewhere in connection with the matters described herein.



10 October 2017

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

### **Update on resolution strategy for AIB Bank and its subsidiaries (“AIB” or the “AIB Group”): Publication of Circular and Prospectus**

As announced on 2 October 2017, AIB Bank intends to implement a corporate reorganisation pursuant to which a new company, AIB Group plc (“**AIB HoldCo**”) will be introduced as the holding company of AIB Group. It is intended that this new corporate structure will be implemented by means of a scheme of arrangement under Chapter 1 of Part 9 of the Companies Act 2014 (and a related reduction of capital of AIB Bank) (the “**Scheme**”).

A circular setting out full details of the Scheme (the “**Circular**”), and which includes notices of a court meeting and an extraordinary general meeting, commencing from 10:00 a.m. on 3 November 2017, has been despatched to AIB Bank shareholders today. A prospectus of AIB HoldCo (the “**Prospectus**”) has also been published in connection with the proposed admission of the entire issued ordinary share capital of AIB HoldCo (the “**AIB HoldCo Shares**”) to the primary listing segment of the Official List of the Irish Stock Exchange plc and to the premium listing segment of the Official List of the Financial Conduct Authority and to trading on the Irish Stock Exchange plc’s main securities market and London Stock Exchange plc’s main market for listed securities.

The Prospectus has been approved by the Central Bank of Ireland (the “**CBI**”), as the competent authority under the Prospectus Directive 2003/71/EC. AIB HoldCo has requested that the CBI provides a certificate of approval and a copy of the Prospectus to the competent authority in the United Kingdom in accordance with Part 9 of the Prospectus (Directive 2003/71 EC) Regulations 2005.

Copies of the Circular and the Prospectus will be submitted shortly to: (i) the Irish Stock Exchange plc, and will be available for inspection at the Company Announcements Office, Irish Stock Exchange, 28 Anglesea Street, Dublin 2, Ireland (Tel: + 353 1 6174200); and (ii) the UK National Storage Mechanism.

The Circular and the Prospectus are available to the public in electronic form on the AIB Group website (<https://aib.ie/investorrelations>) and in printed form (free of charge) during normal business hours from AIB’s head office at Bankcentre, Ballsbridge, Dublin 4, Ireland and at its UK office at St. Helen’s, 1 Undershaft, London, EC3A 8AB.

- Ends -

For further information, please contact:

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

Rose O'Donovan / Niamh Hore  
Investor Relations  
AIB Bankcentre  
Dublin  
Tel: +353-1-6414191/6411817  
email:  
rose.m.o'donovan@aib.ie  
niamh.a.hore@aib.ie

Orla Bird  
Head of Communications  
AIB Bankcentre  
Dublin  
Tel: +353-1-6415375  
email:  
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.

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 CBI 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.

Morgan Stanley & Co. International plc (“**Morgan Stanley**”), which is authorised in the UK by the Prudential Regulation Authority (“**PRA**”) and regulated in the UK by the PRA and 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 Morgan Stanley, 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, 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.

## **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.

This announcement and the documents referred to herein do not constitute an offer or form part of any offer or invitation to purchase, subscribe for, sell or issue, or a solicitation of an offer to purchase, subscribe for, sell or issue, any securities pursuant to this announcement or otherwise in any jurisdiction in which such offer or solicitation is unlawful. This announcement does not comprise a prospectus or a prospectus equivalent document.

## **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 (as defined in the Prospectus) 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.