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This announcement is an advertisement for the purposes of the Prospectus Rules and not a prospectus (or prospectus equivalent document) and is not an offer to sell, or a solicitation of an offer to subscribe for or to acquire securities in any jurisdiction, including in or into the United States, Australia, Canada, Japan, the Republic of South Africa or Switzerland. Investors should not subscribe for or purchase any shares referred to in this announcement except on the basis of information in the prospectus (the "Prospectus") to be published by Allied Irish Banks plc ("AIB" or the "Company" and together with its subsidiaries the "Group") in due course in connection with the proposed IPO (as defined below) and, subject to meeting the respective eligibility criteria, the proposed admission of all of AIB's ordinary shares ("Ordinary Shares") to (i) the primary listing segment of the Official List of the Irish Stock Exchange plc (the "Irish Stock Exchange") and to trading on the main market for listed securities of the Irish Stock Exchange; and (ii) the premium listing segment of the Official List of the Financial Conduct Authority (the "FCA") and to trading on the main market for listed securities of the London Stock Exchange, (together, "Admission"). Neither this announcement nor any part of it shall form the basis of or be relied on in connection with or act as an inducement to enter into any contract or commitment whatsoever in any jurisdiction. The Prospectus will, following publication, be available in electronic form on AIB's website, www.aib.ie.

12 June 2017

AIB Share Offer

Announcement of Price Range and Offer Launch

Following the announcement by the Minister for Finance of Ireland, Michael Noonan T.D. (the "Minister for Finance", or the "Selling Shareholder") on 30 May 2017 of the intention to proceed with an initial public offering (the "Offer" or "IPO") of AIB, the Minister for Finance today announces the expected price range for the Offer and the commencement of the Offer for institutional investors and retail investors through participating intermediaries once an approved price range Prospectus is published, later today, containing full details of the Offer.

- The expected price range for the Offer has been set at between €3.90 and €4.90 per Ordinary Share, implying a market capitalisation for AIB on Admission of between €10.6 billion and €13.3 billion.
- The expected Offer size is approximately 679 million Ordinary Shares (prior to any exercise of the 15% over-allotment option), representing 25% of AIB's existing Ordinary Shares in issue.
- The Offer is valued at approximately €2.6-3.3 billion at the Offer price range and excluding the over-allotment option, or €3.0-3.8 billion assuming full exercise of the over-allotment option.
- The Offer consists solely of existing Ordinary Shares being offered for sale by the Minister for Finance.
- The final Offer Price is expected to be announced on or around 23 June 2017, with conditional dealings in AIB Ordinary Shares beginning on the Irish Stock Exchange and the London Stock Exchange on the same day.
- Admission is expected to occur and unconditional dealings in AIB Ordinary Shares on the Irish Stock Exchange and the London Stock Exchange are expected to commence on or around 27 June 2017.

Institutional Offer

- The Offer includes the Institutional Offer to institutional investors in qualifying jurisdictions (in Ireland, the UK, and elsewhere outside the United States under Regulation S and to "qualified institutional buyers" (as defined in Rule 144A) in the United States in reliance on Rule 144A).
- Institutional Offer bookbuilding will commence following publication of the Prospectus and is expected to close on 22 June 2017.

Intermediaries Offer

- Members of the public in Ireland and the UK will be able to apply for Ordinary Shares in the Intermediaries Offer through a participating intermediary, subject to a minimum application size of €10,000 per investor. Investors wishing to participate in the Intermediaries Offer will need to be accredited clients of a participating intermediary by 16 June 2017.
- The Intermediaries Offer will open following publication of the Prospectus.
- Retail investors must apply in the Intermediaries Offer through participating Intermediaries.
- The deadline for the receipt by the Retail Settlement Agent of applications from Intermediaries is 11.00 a.m. on 21 June 2017.
- Further information about the Intermediaries Offer, including the Prospectus once published and a list of participating intermediaries is available at www.aib.ie.

Commenting on today's announcement, Michael Noonan T.D., Minister for Finance of Ireland said:

"The time is right to move to the next stage in AIB's IPO process as market conditions remain favourable and I am encouraged by the strong level of interest shown by investors in the offering to date. A successful transaction would represent an important milestone in our journey to dispose of our banking investments and ultimately recover all the money the Irish State has invested in AIB."

Enquiries

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Notes to Editors

Except where the context otherwise requires, defined terms used in this announcement have the meanings given to such terms in the Prospectus to be published by AIB and which will be available at www.aib.ie.

Expected Timetable of Principal Events

<u>Event</u>	<u>Time and Date⁽¹⁾</u>
Latest time and date for receipt by the Retail Settlement Agent of applications from Intermediaries in respect of the Intermediaries Offer ⁽²⁾	11:00 a.m. on 21 June 2017
Latest time and date for receipt of indications of interest in respect of the Institutional Offer	5:00 p.m. on 22 June 2017
Announcement of Offer Price and the Offer Size, publication of the Pricing Statement and notification of allocations of Offer Shares ⁽³⁾	7:00 a.m. on 23 June 2017
Suspension of trading in the Ordinary Shares on the ESM and latest time and date for trading in the Ordinary Shares on the ESM	8:00 a.m. on 23 June 2017
Commencement of conditional dealings on the Irish Stock Exchange and London Stock Exchange	8:00 a.m. on 23 June 2017
Cancellation of admission to trading of the Ordinary Shares on the ESM	7:59 a.m. on 27 June 2017
Admission to listing on the primary listing segment of the Official List of the Irish Stock Exchange and listing on the premium listing segment of the Official List of the FCA	8:00 a.m. on 27 June 2017
Commencement of unconditional dealings on the Irish Stock Exchange and the London Stock Exchange	8:00 a.m. on 27 June 2017
CREST accounts credited in respect of Offer Shares in uncertificated form	27 June 2017

Notes:

- (1) References to times are to Dublin times. Each of the times and dates in the above timetable is subject to change. Prospective investors will be notified of any changes to the above timetable by an announcement via a Regulatory Information Service.
- (2) Retail investors should obtain confirmation from their chosen Intermediary as to the time and date by which their completed application to participate in the Intermediaries Offer must be received by their chosen Intermediary. Retail investors who apply for Offer Shares in the Intermediaries Offer should also consult their Intermediary as to when they will be sent documents in respect of any Offer Shares they have been allocated and when they may commence dealing in any such Offer Shares.
- (3) The Offer Price and Offer Size will be set out in the Pricing Statement. The Pricing Statement will not automatically be sent to persons who receive this document but it will be available (subject to certain restrictions) free of charge, in electronic form, on the Company's website at www.aib.ie. Notification of allocations of Offer Shares will be made as soon as practicable after 7:00 a.m. on 23 June 2017.

Offer Statistics

Offer Price Range (per Offer Share) ⁽¹⁾	€3.90 to €4.90
Number of Ordinary Shares in issue immediately prior to Admission	2,714,381,238
Number of Ordinary Shares in issue on Admission	2,714,381,238
Expected maximum number of Offer Shares in the Offer ⁽²⁾	678,595,310
Expected number of Offer Shares in the Offer as a percentage of total number of Ordinary Shares in existence on Admission ⁽²⁾	Up to 25%
Expected maximum number of Over-allotment Shares ⁽³⁾	101,789,296
Estimated gross proceeds from the sale of Offer Shares in the Offer	€2,986 million
Estimated proceeds of the Offer receivable by the Selling Shareholder at the mid-point of the Offer Price Range and the Offer Size Range ⁽²⁾⁽⁵⁾	€2,986 million
Expected market capitalisation of the Company at the mid-point of the Offer Price Range ⁽⁴⁾	€11,943 million

Notes:

- (1) It is currently expected that the Offer Price will be within the Offer Price Range. It is expected that the Pricing Statement containing the Offer Price and the Offer Size will be published on or about 23 June 2017 and will be available (subject to certain restrictions) on the Company's website at www.aib.ie. If the Offer Price is set above the Offer Price Range, the Selling Shareholder will make an announcement via a Regulatory Information Service and prospective investors will have a statutory right to withdraw their applications for Offer Shares.
- (2) Calculated (i) on the basis that the Offer Size will be set within the Offer Size Range of up to 25 per cent. of the total number of Ordinary Shares in issue on Admission and (ii) before taking into account any Over-allotment Shares pursuant to the Over-allotment Option. It is currently expected that the Offer Size will be set within the Offer Size Range. However, the number of Offer Shares may represent a higher or lower percentage than that indicated (subject to meeting the free float requirements of the Irish Stock Exchange and the FCA). If the Offer Size is set above or below the Offer Size Range, then prospective investors would have a statutory right to withdraw their applications for Offer Shares. The Company expects to publish the Pricing Statement containing the Offer Price and the Offer Size on or around 23 June 2017. Between the announcement of the Offer Price and Admission to the Official Lists, the Ordinary Shares will be registered with a temporary ISIN and SEDOL for the period of conditional dealing. The temporary ISIN for both the Irish Stock Exchange and the London Stock Exchange will be ISIN IE00BZ0YPY56. The temporary SEDOL for the Irish Stock Exchange will be BZ0YPY5. The temporary SEDOL for the London Stock Exchange will be BF2P4M7. Following Admission to the Official Lists and once dealing becomes unconditional, the Ordinary Shares will revert to their existing ISIN and SEDOL. The ISIN for both the Irish Stock Exchange and the London Stock Exchange will be ISIN IE00BYSZ9G33. The SEDOL for the Irish Stock Exchange will be BYSZ9G3. The SEDOL for the London Stock Exchange will be BF2P4N8.
- (3) The expected maximum number of Over-allotment Shares comprised in the Over-allotment Option is, in aggregate, equal to 15 per cent. of the total number of Offer Shares within the final Offer Size. In the event that the Offer Size is set outside the Offer Size Range, the maximum number of Over-allotment Shares would correspondingly increase or decrease.
- (4) The market capitalisation of the Company at any given time will depend on the market price of the Ordinary Shares at that time. There can be no assurance that the market price of an Ordinary Share will be equal to or exceed the Offer Price.
- (5) The estimated proceeds receivable by the Selling Shareholder are currently expected to be €2,986 million. The amount(s) referred to above are calculated on the basis of the following assumptions: (i) the Offer Size is set at the maximum point of the Offer Size Range; and (ii) the Offer Price is set at the mid-point of the Offer Price Range.

DISCLAIMER

The contents of this announcement, which have been prepared by, and are the sole responsibility of the Minister for Finance have been approved by Merrill Lynch International solely for the purposes of section 21(2)(b) of the Financial Services and Markets Act 2000, as amended, of the United Kingdom.

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 on its accuracy, fairness or completeness. This announcement does not purport to identify or suggest the risks (direct or indirect) which may be associated with an investment in AIB or the Ordinary Shares.

This announcement, is not for publication or distribution, in whole or in part, directly or indirectly, in, into or from the United States of America (including its territories or possessions, any state of the United States of America and the District of Columbia) (the "United States"), Australia, Canada, Japan, the Republic of South Africa, Switzerland or any other jurisdiction where to do so would constitute a violation of the relevant laws or regulations of such jurisdiction. The distribution of this announcement may be restricted by law in certain jurisdictions and persons into whose possession any document or other information referred to herein comes should inform themselves about and observe any such restriction. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

This announcement does not contain or constitute an offer of, or the solicitation of an offer to buy, the securities referred to herein to any person in any jurisdiction, including the United States, Australia, Canada, Japan, the Republic of South Africa, Switzerland or in any jurisdiction to whom or in which such offer or solicitation is unlawful. The Ordinary Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act") and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws of any state or other jurisdiction of the United States. The offer and sale of Ordinary Shares referred to herein has not been and will not be registered under the Securities Act or under the applicable securities laws of Australia, Canada, Japan, the Republic of South Africa or Switzerland. Subject to certain exceptions, the Ordinary Shares referred to herein may not be offered or sold in the United States, Australia, Canada, Japan, the Republic of South Africa or Switzerland or to, or for the account or benefit of, any national, resident or citizen of the United States, Australia, Canada, Japan, the Republic of South Africa, or Switzerland. The Company does not intend to register any Ordinary Shares under the applicable securities laws of the United States or to conduct a public offering of any securities in the United States, Australia, Canada, Japan, the Republic of South Africa, or Switzerland.

This announcement is only addressed to and directed at, in member states of the European Economic Area ("EEA") other than Ireland and the UK, persons who are qualified investors ("Qualified Investors") within the meaning of Article 2(1)(e) of the Prospectus Directive (Directive 2003/71/EC and amendments thereto, including Directive 2010/73/EU, to the extent implemented in the relevant member state of the EEA) and any implementing measure in each relevant member state of the EEA (the "Prospectus Directive"). Any investment or investment activity to which this announcement relates is available only to and will only be engaged in such member states with such persons and should not be relied on by anyone other than such persons.

This announcement includes statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements may be identified by the use of forward-looking terminology, including the terms "target", "believes", "estimates", "aims", "plans", "predicts", "projects", "continues", "assumes", "positioned", "anticipates", "expects", "intends", "may", "will" or "should" or, in each case, their negative or other variations or

comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. Forward-looking statements may and often do differ materially from actual results. Any forward-looking statements reflect the Group's current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Group's business, concerning, amongst other things, the results of operations, financial position, liquidity, prospects, growth and strategies of the Group and the industry in which it operates. These forward-looking statements include all matters that are not historical facts. Forward-looking statements and other statements contained in this announcement regarding matters that are not historical facts involve predictions. No assurance can be given that such future results will be achieved; actual events or results may differ materially as a result of risks and uncertainties facing the Group. Such risks and uncertainties could cause actual results to vary materially from the future results indicated, expressed or implied in such forward-looking statements. Forward-looking statements speak only as of the date they are made and cannot be relied upon as a guide to future performance. No statement in this announcement is intended to be a profit forecast and no statement in this announcement should be interpreted to mean that the Company or the Group will generate a particular rate of return.

Each of Merrill Lynch International, J&E Davy, Deutsche Bank AG, London Branch, Morgan Stanley & Co. International plc, Goodbody Stockbrokers UC, Citigroup Global Markets Limited, Goldman Sachs International, J.P. Morgan Securities plc (which conducts its UK investment banking business as J.P. Morgan Cazenove), UBS Limited, Investec Bank plc (Irish Branch) and their respective affiliates (together, the "Banks"), Rothschild, the Minister for Finance, the Company and each Group company expressly disclaims any obligation or undertaking to update, review or revise any forward-looking statement contained in this announcement whether as a result of new information, future developments or otherwise.

Any purchase of Ordinary Shares in the proposed Offer must be made solely on the basis of the information contained in the final Prospectus and before purchasing any Ordinary Shares, persons viewing this announcement should ensure that they fully understand and accept the risks that will be set out in the Prospectus to be issued by the Company in connection with the Offer. No reliance may or should be placed by any person for any purposes whatsoever on the information contained in this announcement or on its completeness, accuracy or fairness. The information in this announcement is given at the date of its publication (unless otherwise highlighted) and subject to change. In particular, the proposals referred to herein are tentative and are subject to material updating, revision and amendment. This announcement has not been approved by the Central Bank of Ireland, the Irish Stock Exchange, the UK Financial Conduct Authority ("FCA") or any other competent regulatory authority.

The IPO timetable, including the date of Admission, is subject to change and may be influenced by a range of circumstances such as market conditions. There is no guarantee that admission of the Ordinary Shares to (i) the primary listing segment of the Official List of the Irish Stock Exchange and to trading on the main market for listed securities of the Irish Stock Exchange and (ii) the premium listing segment of the Official List of the FCA and to trading on the main market for listed securities of the London Stock Exchange will occur and you should not base your financial decisions on the Company's intentions in relation to any such admission at this stage. Acquiring investments to which this announcement relates may expose an investor to a significant risk of losing all or part of the amount invested. Persons considering making such an investment should consult an authorised person specialising in advising on such investments. This announcement does not constitute a recommendation concerning the IPO. The value of Ordinary Shares can decrease as well as increase. When considering what further action you should take you are recommended to immediately consult, if you are resident in Ireland, an organisation or firm authorised or exempted pursuant to the European Communities (Markets in Financial Instruments) Regulations 2007 (Nos. 1 to 3) or the Investment Intermediaries Act 1995 (as amended) and, if you are resident in the United Kingdom, a person authorised under the Financial Services and Markets Act 2000,

as amended, of the United Kingdom, or another appropriately authorised professional adviser if you are in a territory outside Ireland or the United Kingdom. Potential investors should consult a professional adviser as to the suitability of Ordinary Shares for the person concerned. Past performance cannot be relied upon as a guide to future performance.

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.

Deutsche Bank AG, London Branch, is authorised under German Banking Law (competent authority: European Central Bank) and, in the UK, by the Prudential Regulation Authority (the "PRA"), is subject to supervision by the European Central Bank and by BaFin, Germany's Financial Supervisory Authority, and is subject to limited regulation in the UK by the FCA and PRA. J&E Davy and Goodbody Stockbrokers UC are authorised and regulated in Ireland by the Central Bank. Goodbody Stockbrokers UC is authorised and subject to limited regulation in the UK by the FCA. Merrill Lynch International, Citigroup Global Markets Limited, Goldman Sachs International, J.P. Morgan Securities plc, Morgan Stanley & Co. International plc and UBS Limited are authorised in the United Kingdom by the PRA and regulated in the United Kingdom by the PRA and FCA. Investec Bank plc (Irish Branch) is authorised by the PRA in the United Kingdom and regulated by the Central Bank for conduct of business rules. Rothschild is authorised and regulated by the FCA in the United Kingdom. Other than as stated below, each of the Banks is acting exclusively for the Company and the Minister for Finance and no one else in connection with the Offer. Rothschild is acting exclusively for the Minister for Finance and no one else in connection with the Offer. Each of the Banks and Rothschild will not regard any other person (whether or not a recipient of the Prospectus) as their respective clients in relation to the Offer and will not owe or accept any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person other than the Company and the Minister for Finance for providing the protections afforded to their respective clients, nor for providing advice in relation to the Offer, the contents of this announcement or any transaction, arrangement or other matter referred to herein. Morgan Stanley & Co. International plc (in its capacity as UK Sponsor) and Goodbody Stockbrokers UC (in its capacity as Irish Sponsor) are each acting exclusively for the Company and no one else in connection with the Offer. They will not regard any other person (whether or not a recipient of the Prospectus) as a client in relation to the Offer and will not be responsible to anyone other than the Company for providing the protections afforded to their respective clients, nor for giving advice in relation to the Offer or any transaction or arrangement referred to herein.

In connection with the Offer, each of the Banks and any of their respective affiliates, acting as investors for their own accounts, may purchase Ordinary Shares and in that capacity may retain, purchase, sell, offer to sell or otherwise deal for their own accounts in such Ordinary Shares and other securities of the Company or related investments in connection with the Offer or otherwise. In addition, each of the Banks or their respective affiliates may enter into financing arrangements (including swaps and contracts for difference) with investors in connection with which the Banks or their affiliates may from time to time acquire, hold or dispose of Ordinary Shares. Accordingly, references in the Prospectus, once published, to the Ordinary Shares being offered acquired, placed or otherwise dealt in should be read as including any offer to acquisition, placing or dealing by any of the Banks and any of their respective affiliates acting as investors for their own accounts. None of the Banks intends to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligations to do so.

None of the Banks, Rothschild or any of their respective directors, officers, employees, advisers agents, affiliates or any other person acting on their behalf accepts any responsibility or liability whatsoever for, or makes any

representation or warranty, express or implied, as to the truth, accuracy, completeness or fairness of, the information in this announcement (or whether any information has been omitted from the announcement) or any other information relating to the Company or the Group, 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.

Certain figures contained in this announcement, including financial information, have been subject to rounding adjustments. Accordingly, in certain instances, the sum or percentage change of the numbers contained in this announcement may not conform exactly to the total figure given.

In connection with the Offer, Deutsche Bank AG, London Branch, as stabilisation manager, or any of its agents, may (but will be under no obligation to), to the extent permitted by applicable law, over-allot Ordinary Shares or effect other transactions with a view to supporting the market price of the Ordinary Shares at a higher level than that which might otherwise prevail in the open market. Deutsche Bank AG, London Branch is not required to enter into such transactions and such transactions may be effected on any stock market, over-the-counter market, stock exchange or otherwise and may be undertaken at any time during the period commencing on the date of the commencement of conditional dealings of the Ordinary Shares on the Irish Stock Exchange and the London Stock Exchange and ending no later than 30 calendar days thereafter. However, there will be no obligation on Deutsche Bank AG, London Branch or any of its agents to effect stabilising transactions and there is no assurance that stabilising transactions will be undertaken. Such stabilising measures, if commenced, may be discontinued at any time without prior notice. In no event will measures be taken to stabilise the market price of the Ordinary Shares above the offer price. Save as required by law or regulation, neither Deutsche Bank AG, London Branch nor any of its agents intends to disclose the extent of any over-allotments made and/or stabilisation transactions conducted in relation to the Offer.

In connection with the Offer, Deutsche Bank AG, London Branch as stabilisation manager, may, for stabilisation purposes, over-allot Ordinary Shares up to a maximum of 15 per cent. of the total number of Ordinary Shares comprised in the Offer. For the purposes of allowing it to cover short positions resulting from any such over-allotments and/or from sales of Ordinary Shares effected by it during the stabilisation period, Deutsche Bank AG, London Branch will enter into over-allotment arrangements pursuant to which Deutsche Bank AG, London Branch may purchase or procure purchasers for additional Ordinary Shares up to a maximum of 15 per cent. of the total number of Ordinary Shares comprised in the Offer (the "Over Allotment Shares") at the offer price. The over-allotment arrangements will be exercisable in whole or in part, upon notice by Deutsche Bank AG, London Branch, at any time on or before the 30th calendar day after the commencement of conditional trading of the Ordinary Shares on the Irish Stock Exchange and the London Stock Exchange. Any Over-allotment Shares made available pursuant to the over-allotment arrangements, including for all dividends and other distributions declared, made or paid on the Ordinary Shares, will be purchased on the same terms and conditions as the Ordinary Shares being issued or sold in the Offer and will form a single class for all purposes with the other Ordinary Shares.