



FOR IMMEDIATE RELEASE

27 January 2015

**ALLIED IRISH BANKS, P.L.C. ("AIB") ANNOUNCES THAT
AIB MORTGAGE BANK RAISES €750M THROUGH A 7-YEAR ASSET COVERED SECURITIES (ACS)
BOND ISSUANCE**

AIB Mortgage Bank (AIBMB) today agreed a €750 million 7-year secured ACS bond issue under its €20 billion Mortgage Covered Securities Programme. AIBMB is a wholly owned subsidiary of AIB.

This 7 year deal was priced at a spread over mid-swaps of 27 basis points at an absolute yield level of 0.748% with a coupon attaching of 0.625%. The deal was well received and was placed with c.125 international investors from 21 countries and was in excess of 3 times oversubscribed.

This is the first term funding transaction completed by AIB in 2015 and is part of the continued strategy to extend maturity and to diversify our funding and investor base.

-ENDS-

For further information, please contact:

Donal Galvin
Head of Treasury
AIB Bankcentre
Dublin
Tel: +353-1-6418300
email:
donal.j.galvin@aib.ie

Important Information

AIB currently has c.523 billion ordinary shares in issue, of which 99.8% are held by the National Pension Reserve Fund Commission ("NPRFC"), with 500 billion of the ordinary shares issued to the NPRFC in July 2011 at a price of €0.01 per share.

Copies of other relevant market disclosures can be found at the following link: investorrelations.aib.ie