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AGM OPENING ADDRESS
BY THE CHAIRMAN OF ALLIED IRISH BANKS, P.L.C. ("AIB")
RICHARD PYM

Check against delivery

Good morning ladies and gentlemen and welcome to our Annual General Meeting. My name is Richard Pym, and I am the Chairman of AIB.

We have a quorum, so I now formally open the Meeting.

The Notice of the Meeting was posted to Shareholders on the 24th March 2017, and so I suggest, with your agreement, that we dispense with its formal reading. Thank you.

I'm joined, nearest to me, on the platform by Bernard Byrne, our Chief Executive Officer, Mark Bourke, our Chief Financial Officer, Sarah McLaughlin, our Company Secretary and Helen Dooley, our Group Legal Counsel.

The other Directors are present in the room and I'll be including them in proceedings when we come to the resolutions later. They will each provide you with a brief summary of their experience for their role on the Board.

We issued a Trading Update to the markets this morning. Bernard will give an overview of that update and of the Bank's performance in 2016 later in the meeting.

We will also have a short video highlighting some of the Bank's activities during the past year.

We are also joined today by Tom Potter who is Head of Customer Care in AIB, together with members of his team. Tom you might stand up - Tom will be pleased to help any customers with queries relating to their banking business with AIB.

As you entered the room today you may have noticed some paintings which are works drawn from the AIB art collection. This collection was accumulated over 30 years up until 2008 and we are very proud of the role it played in supporting Irish artists in that period. It is now a national collection of which we are the custodians, and it is regularly on display in venues, including hospitals and public institutions, around the country. We had some requests from shareholders last year to show you some of the collection, and that's why it's on display today. We have here a number of paintings depicting various landscapes of Ireland. We are joined by our colleague Maureen Porteous who oversees the collection and who will be happy to act as a guide at the end of the meeting. She has an encyclopaedic knowledge of Irish art.

With that I would like to turn to the first formal part of our proceedings, namely the Independent Auditors' Report to the Members.

This is set out on pages 214 to 220 of our 2016 Annual Financial Report, copies of which you will have seen available at the entrance to the meeting.

As you are aware, the Auditors' Report is very detailed.

Gerry Fitzpatrick from our Auditor, Deloitte, is present here this morning, however I propose that, with the consent of the Meeting, we take the Auditors' Report as read.

[Assuming no disagreement...]

Thank you.

2016 was a successful year for AIB with a profit before tax of €1.7 billion. On the political front though, 2016 was a year of surprises. Of most relevance to Ireland and to AIB was the decision by our nearest neighbour, the United Kingdom, to leave the European Union. The long term implications of this decision are unknown but more immediately the decision led to a fall in the value of the pound. AIB's primary focus in respect of Brexit has been to work with our customers to deal with these currency fluctuations and other business uncertainties as they arise. We now have a team of Brexit advisors around the country available to help customers plan for this new challenging environment.

Notwithstanding the upcoming Brexit, the Irish economy has continued to perform strongly. As a stable and financially strong institution AIB is well positioned to play its role in supporting Irish businesses through all the economic cycles.

Our own recovery has been achieved through enormous taxpayer support and as such returning the taxpayers' investment of €20.8 billion in full, over time, remains a key ambition of the Bank. In July 2016, on the maturity of our Contingent Capital Notes, the Bank made a capital repayment to the State of €1.6 billion, together with a coupon payment of €160 million. More recently the Board has proposed a dividend on the ordinary shares of €250 million demonstrating that the financial recovery of the Bank is on a firm footing. The dividend payment will bring our total payments to the State to €6.8 billion.

We recognise that many private shareholders have ended up with as little as just one share after the effective nationalisation of the bank in 2011, which left the existing shareholders with a purely nominal shareholding. One consequence of now paying a dividend is that we are mailing out circa 54,550 cheques for less than 50 cents of dividend which looks very silly and very wasteful. However, we do have an obligation to pay this amount. We will be making arrangements so that AIB dividend cheques presented over the counter at any AIB and EBS branch can be cashed without charge (subject to presentation of valid photo-identification).

No doubt many of the cheques which we issue will remain uncashed and over the medium term we hope to work with a charitable organisation called ShareGift which will enable the Bank to donate any uncashed dividend proceeds and facilitate shareholders should they wish to gift their shares to charity. Recognising that we will save shareholder registration charges, we will offer in addition, a

charitable financial incentive where shareholders choose to gift their small shareholdings. More details will be mailed later in the year.

Over the last number of weeks you will have seen media coverage that the Minister for Finance has appointed a syndicate of banks to prepare for the potential sale of some of the State's shareholding in AIB. Any decision is in the hands of the Minister, but the Bank will be ready when he decides and a successful conclusion would be another important step in the rehabilitation of AIB.

I will now pass over to Bernard, then we will show the short video which I referred to earlier.

Thank you.

[Following Bernard's update and the video...]

Thank you Bernard.

We now come to the formal part of the meeting, where we consider and vote on the resolutions. There are 21 resolutions to be proposed in total, which seems high but is due to the need to treat the proposed resolutions regarding the re-election of each Director as separate resolutions.

You will have an opportunity to ask questions in a few moments, but if for some reason you don't get the chance or would prefer to ask your question in a less public setting, the Directors will be joining you for refreshments following the meeting so you can put your questions to any of us at that stage.

I will propose the 21 resolutions in one section and then take questions in relation to all 21 resolutions when that's done. You are entitled to ask any question on any resolution in that question section. I hope this makes it easier.

Before I propose the resolutions, I'll ask the Directors to introduce themselves to you. This year, all Directors will retire from office and offer themselves for appointment or re-appointment.

[Commencing with the Chairman, Directors stand and speak in the order in which seated...]

Thank you.

The Board is confident that all Directors are experienced and knowledgeable and that each Director being proposed will continue to make a valuable contribution and provide an objective perspective in discharging their duties as a Director.

Biographical information in respect of each Director seeking re-appointment is included in the Shareholders Report.

The Board believes that it is important that the intentions of all shareholders who register a vote are taken into account and therefore I am calling a poll on each of the resolutions proposed. We will be voting by poll on each of them, separately, at the end of the meeting. In that way, all the proxies received prior to the meeting will be taken into account.

We will come to the questions after I have read the resolutions.

1. The first resolution on the agenda relates to the 2016 Annual Financial Report, in relation to which I propose:

"that the Annual Financial Report, including the Directors' Report and Auditors' Report, for the year ended 31st December 2016 be received."

2. The second resolution relates to the declaration of a final dividend. So I propose:
"That a final dividend, of 9.21 cent per ordinary share for the year ended 31 December 2016 (subject to rounding up, per holder of ordinary shares, to the nearest whole cent), be declared".

3. The next item is the appointment and re-appointment of Directors. So I propose, as separate resolutions, that each of

- Carolán Lennon;
- and Brendan McDonagh
be "appointed" a Director;

and similarly that each of

- Simon Ball
- Mark Bourke
- Bernard Byrne
- Tom Foley
- Peter Hagan
- Helen Normoyle
- Jim O'Hara
- Michael Somers
- and Catherine Woods

be "re-appointed" a Director

I'll ask Bernard to propose the motion for my re-appointment.

- Bernard Byrne: I propose that Richard Pym be re-appointed a Director.

Thank you Bernard.

4. The next item is the Auditor's Remuneration.

The work of the auditor, and the level of the audit fees, are reviewed on behalf of the Board by the Audit Committee. That Committee is satisfied with the effectiveness of the Auditor, and that the fees are appropriate.

The Auditor, Deloitte, Chartered Accountants and Registered Auditor, has signified agreement to continue in office for the 2017 statutory audit.

I am pleased, therefore, to propose:

"That the remuneration of the Auditor in respect of the year to 31st December 2017 be such sum as may be agreed by the Board".

5. The next item relates to the Report on Directors' Remuneration. The vote is advisory only. So I now propose:

"That the Report on Directors' remuneration and interests for the year ended 31st December 2016 be received"

6. Item 6 is an ordinary resolution, proposed to authorise the Directors to allot and issue new shares should the need arise. The authority is proposed in substitution for the authority conferred on the Directors at the Company's extraordinary general meeting in December 2015.
7. Resolution 7(a) is a special resolution proposed for the disapplication of pre-emption rights, to empower the Directors to allot equity securities for cash otherwise than in accordance with statutory pre-emption rights.

Resolution 7(b) is a special resolution proposed to empower the Directors to allot equity securities for cash otherwise than in accordance with statutory pre-emption rights for the purposes of what the Directors determine to be an acquisition or other specified capital investment.

8. Resolution 8 is proposed as a special resolution to authorise the market purchase by the Company of its own shares, up to 10% of the Company's issued shares as at the date of the passing of the resolution.
9. The final resolution is a special resolution authorising the Company to re-issue shares purchased by it and not cancelled as treasury shares. If granted, the minimum and maximum prices at which treasury shares may be re-issued shall be determined in accordance with the Company's Articles of Association.

Resolutions 6 through 9 are quite technical in nature and are explained further in the Notice of the meeting. They are normal in line with market practise and relevant Guidelines and Principles.

We will now open up to questions. To be fair to everyone in the room, and to give as many people as possible an opportunity, I ask that you please get to your question as quickly as possible.

I must ask that the questions are specifically on the resolutions, and please remember that our customer care team are available for individual customer issues.

Please wait for a microphone and state your name before putting your question.

[When Shareholder questions are complete...]

Thank you.

As all the Resolutions have been proposed, I am now asking you to please vote by completing the AGM poll card which you received on the way in to the meeting.

You should indicate your voting preference, sign the poll card and deposit it in one of the Ballot boxes which are positioned throughout the room.

Could the registrars please show where the boxes are, thank you.

The results will be made available by 5.00 p.m. this evening at our main reception desk at the Merrion Entrance across the road in Bankcentre, and on our website.

That concludes proceedings and it only remains for me now to thank you for your participation and to invite you to join us for some refreshments.

The Directors and our customer care team will be present should you have any questions or comments to share with us.

Thank you for being with us today. That is the close of the meeting.

-ENDS-

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Important Information and forward-looking statements

This document should be considered with AIB's Trading Update April 2017, Annual Financial Report 2016, Half-Yearly Financial Report 2016, and all other relevant market disclosures, copies of which can be found at the following link: <http://aib.ie/investorrelations>

AIB is 99.9% owned by the Irish State and therefore the limited free-float distorts trading and valuation of AIB shares.

This document contains certain forward-looking statements with respect to the financial condition, results of operations and business of AIB Group and certain of the plans and objectives of the Group. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements sometimes use words such as 'aim', 'anticipate', 'target', 'expect', 'estimate', 'intend', 'plan', 'goal', 'believe', 'may', 'could', 'will', 'seek', 'continue', 'should', 'assume', or other words of similar meaning. Examples of forward-looking statements include, among others, statements regarding the Group's future financial position, capital structure, Government shareholding in the Group, income growth, loan losses, business strategy, projected costs, capital ratios, estimates of capital expenditures, and plans and objectives for future operations. Because such statements are inherently subject to risks and uncertainties, actual results may differ materially from those expressed or implied by such forward-looking information. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements. These are set out in the 'Principal risks and uncertainties' on pages 50 to 58 of the Annual Financial Report 2016 and on page 34 'Update on risk management and governance' of the Half-Yearly Financial Report 2016. In addition to matters relating to the Group's business, future performance will be impacted by Irish, UK and wider European and global economic and financial market considerations. Any forward-looking statements made by or on behalf of the Group speak only as of the date they are made. The Group cautions that the list of important factors on pages 50 to 58 of the Annual Financial Report 2016 and on page 34 of the Half-Yearly Financial Report 2016 is not exhaustive. Investors and others should carefully consider the foregoing factors and other uncertainties and events when making an investment decision based on any forward-looking statement.