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ALLIED IRISH BANKS PLC
Form 6-K
June 29, 2007

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 6-K

Report of Foreign Private Issuer

Pursuant to Rule 13a-16 or 15d-16
under the Securities Exchange Act of 1934

For the date of 29 June, 2007

ALLIED IRISH BANKS, public limited company

Bankcentre, Ballsbridge, Dublin 4, Republic of Ireland

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F..X... Form 40-F.....

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes No ..X...

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82- _____

For immediate release

29th June, 2007

AIB to acquire AmCredit

Allied Irish Banks, p.l.c. ("AIB") (NYSE: AIB) has entered into an agreement to acquire AmCredit, the mortgage finance business of the Baltic-American Enterprise Fund ("BalAEF"). The business, which has a strong track record in mortgage lending, operates in Latvia, Lithuania, and Estonia. It was established in 1997. BalAEF is a Delaware corporation chartered in 1994, pursuant to legislation enacted by the U.S. Congress to promote private sector development in the Baltic States. The International Finance Corporation (the private sector arm of the World Bank Group) has played an important role in its development over the years.

AmCredit, which has 13 outlets and 145 staff, will give AIB entry to three high growth markets underpinned by an experienced workforce, robust systems and

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processes and an established brand.

The consideration for the transaction, which will comprise both up-front and earn-out components, is expected to be in the order of EUR40m.

AmCredit currently operates as a single product mortgage business. AIB will seek regulatory approval to operate through a branch in each country and in time expand the range of banking products sold.

The transaction is subject to the completion of the requisite regulatory approvals.

Eugene Sheehy, CEO of AIB said: "We look forward to working with AmCredit's management and staff in the development of the business in the years ahead. AmCredit gives us an established foothold in the high-growth Baltic market and an opportunity to develop our business in a market contiguous to our Polish operations. We plan to grow its business and to expand the range of banking products sold into these new markets."

- ENDS-

For further information, please contact:

Alan Kelly
General Manager, Group Finance
AIB Group
Bankcentre
Dublin 4

Tel: +353-1-6412162

Ronan Sheridan
Group Press Officer
AIB Group
Bankcentre
Dublin 4

Tel: +353-1-6414651

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorised.

ALLIED IRISH BANKS, p.l.c.
(Registrant)

Date 29 June, 2007

By: _____
John O'Donnell
Group Director, Finance,
Risk and Enterprise
Technology
Allied Irish Banks, p.l.c.