



## **AIB Half-Yearly Financial Report 2009**

**5th August 2009**

Allied Irish Banks, p.l.c. ("AIB") [NYSE: AIB] today issues its Half Yearly Financial Report for the half year ended 30 June 2009. Please click on the following link to view:

[http://www.rns-pdf.londonstockexchange.com/rns/8370W\\_-2009-8-4.pdf](http://www.rns-pdf.londonstockexchange.com/rns/8370W_-2009-8-4.pdf)

### **Key Information - AIB Group interim results 2009**

#### **Profitability(1)**

Operating profit before provisions of € 1,738 million, down 6%

Loss for the period € 786 million

AIB Bank ROI loss of € 1,522 million; operating profit(2) down 33%

Capital Markets profit of € 252 million down 13%; operating profit(2) up 55%

AIB Bank UK loss of £ 28 million; operating profit(2) down 17%

Poland profit of Pln 313 million down 49%; operating profit(2) down 4%

M&T US\$ contribution down 71%; impairment charge of € 200 million taken against investment

#### **Efficiency**

Costs 7% lower

Neutral income/cost growth rate gap (income and costs both down 7%)

Cost income ratio down from 49.2% to 48.3%(3) (37.5% headline)

#### **Asset quality**

Impaired loans at 8.1% of total loans

Criticised loans at 25.0% of total gross loans

Provision charge of € 2,373 million was 3.58% of average customer loans

## Loss per share

Basic loss per share	EUR (43.2c)
less gain on redemption of capital instruments(4)	EUR (121.8c)
less profit on disposal/development of property(5)	EUR (0.9c)
adjust for hedge volatility(6)	EUR 1.5c
<b>Adjusted basic loss per share</b>	<b>EUR (164.4c)</b>

## Balance sheet funding

Customer funding 49% of our balance sheet requirement

Loan deposit ratio at 156%, up from 140% at 31 December 2008

<b>Capital ratios</b>	<b>30/06/09</b>
Core tier 1 ratio	8.5%
Tier 1 ratio	7.8%
Total capital ratio	10.7%

(1) The percentage changes are on an underlying basis excluding the impact of exchange rate movements on the translation of foreign locations' profit, the impact of interest rate hedge volatility (hedging ineffectiveness and derivative volatility), the element of the pre-tax gain (€ 623 million) recorded in the income statement on redemption of subordinated liabilities completed in June 2009, and excluding profit on disposal of AIB's merchant acquiring businesses in 2008.

(2) Operating profit before provisions.

(3) 48.3% before benefit of the gain on redemption of subordinated liabilities. Including this gain the cost income ratio was 37.5%.

(4) Gain on redemption of subordinated liabilities and other capital instruments as part of the capital exchange offering completed in June 2009.

(5) Sale of 7 branches in the Republic of Ireland (€ 7 million after taxation) and construction contract income (€ 1 million after taxation).

(6) The impact of hedge volatility (hedging ineffectiveness and derivative volatility) was a decrease of € 12 million to profit before taxation in the half-year to June 2009 (€ 13 million after taxation) and a decrease of € 35 million to profit before taxation in the half-year to June 2008 (€ 31 million after taxation).

**Allied Irish Banks, p.l.c.**

## **Dividend**

No interim dividend will be paid.

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