



AIB Half-Yearly Financial Report 2010

4th August 2010

Key Information - AIB Group interim results 2010

Basis of presentation

The following commentary on results is prepared on a total AIB Group basis including discontinued operations. A reconciliation of the total income statement to the continuing operations income statement in the financial statements is included on page 7 of this report.

Profitability(1)

Operating profit before provisions and NAMA loss was € 976 million, down 42%

Loss on transfer of first tranche of assets to NAMA was € 963 million

Loss for the period € 1,731 million

AIB Bank ROI loss of € 2,677 million; operating profit before provisions, down 57%

Capital Markets profit of € 134 million; operating profit before provisions, down 36%

AIB Bank UK loss of £ 55 million; operating profit before provisions, down 31%

Poland profit of Pln 569 million up 80%; operating profit before provisions, up 28%

M&T US\$ contribution up 25%

Efficiency

Cost reduction of 5%

Cost income ratio 62.7%(2) from 48.3% in 2009

Asset quality

Criticised loans at 33.3% of total loans

Impaired loans at 15.6% of total loans

Provision charge of € 2.3 billion or 3.61% of average customer loans

Earnings per share

Basic loss per share	EUR	(163.7c)
less gain on redemption of capital instruments(3)	EUR	(34.5c)
less profit on disposal of property(4)	EUR	(2.6c)
adjust for hedge volatility(5)	EUR	5.5c
Adjusted basic loss per share	EUR	(195.3c)

Balance sheet funding

Customer funding 53% of our balance sheet requirement

Loan deposit ratio of 143% (127% excluding loans held for sale to NAMA), 146% at 31

December 2009, 156% at 30 June 2009

Capital ratios	30/06/10
Equity core tier 1 ratio	3.8%
Core tier 1 ratio	6.9%
Tier 1 ratio	6.0%
Total capital ratio	9.0%

(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, the element of the gains recorded in the income statement on redemption of subordinated liabilities completed in March 2010 and June 2009 and the loss on transfer of the first tranche of loans to NAMA.

(2)62.7% before the gain on redemption of subordinated liabilities and the loss on transfer of assets to NAMA. Including the gain on redemption of subordinated liabilities the cost income ratio was 51.1%.

(3)Gain on redemption of subordinated liabilities as part of the capital exchange offering completed in March 2010.

(4) Profit on the sale of 22 branches (€ 35 million before taxation, € 28 million after taxation).

(5) The impact of interest rate hedge volatility (hedging ineffectiveness and derivative volatility) was a decrease of € 68 million to profit before taxation (€ 59 million after taxation).

Allied Irish Banks, p.l.c.

Dividend

No interim dividend will be paid.

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