



Allied Irish Banks, p.l.c.

25th July 2011

A number of statements we will be making in our presentation and in the accompanying slides will not be based on historical fact, but will be “forward-looking” statements within the meaning of the United States Private Securities Litigation Reform Act of 1995. Actual results may differ materially from those projected in the forward looking statements. Factors that could cause actual results to differ materially from those in the forward looking statements include, but are not limited to, global, national and regional economic conditions, levels of market interest rates, credit or other risks of lending and investment activities, competitive and regulatory factors and technology change. Any ‘forward-looking statements made by or on behalf of the Group speak only as of the date they are made.

Introduction

2011 Preliminary Interim Results

Overview

Questions and Answers

- AIB exists today due to the support of the Irish Government on behalf of taxpayers
- AIB, its shareholders and investors have been severely damaged by events in the past
- Working to remove the barriers inhibiting our people from providing customers with the services and products they need
- Focus to date on restructuring / recapitalisation – now moving to improve support for customers and the economy
- Much work needs to be done and the road to recovery will take time but we will get there

Paul Stanley
Acting Chief Financial Officer

Key financial features



Slide 6

€bn	Jun 2011	Jun 2010
Operating loss	(0.1)	(0.2)
Provisions	(2.9)	(2.3)
Income Tax	0.4	0.4
Underlying loss	(2.6)	(2.1)
Gain on redemption of sub debt	3.3	0.4
Profit from BZWBK	1.5	
Profit / loss for the period	2.2	(1.7)

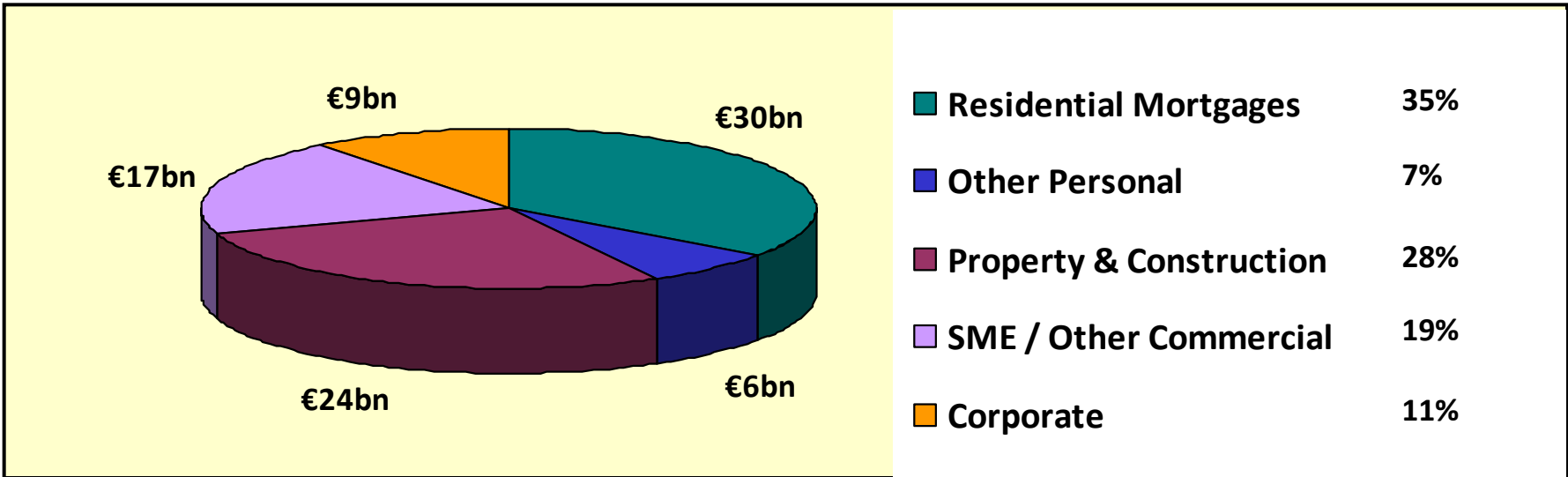
Funding %	Jun 2011	Dec 2010
Loans / deposits ratio*	143	165
Wholesale funding as % of total funding	41	48

Capital %	Jun 2011	Dec 2010
RWAs (€bn)	78	99
Core tier 1 ratio	9.9	4.0
Total capital ratio	10.6	9.2
Pro-forma core tier 1**	22.4	

* excludes State deposit

** post recapitalisation and EBS acquisition

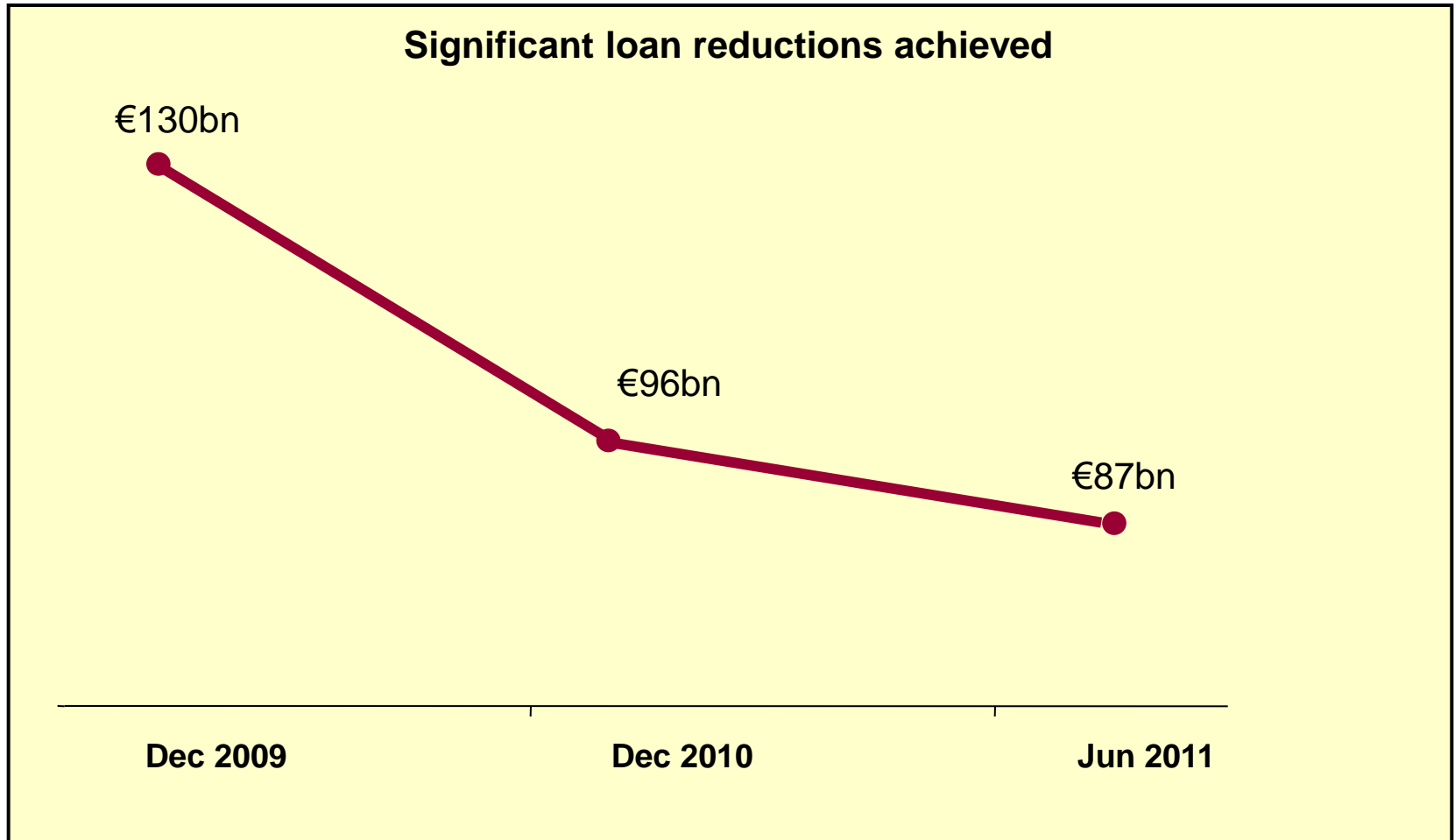
Loan book composition – total €86bn*



Dec 2010			Jun 2011	
Impaired loans	€12.1bn	➔	Impaired loans	€15.2bn
Total provisions	€7.3bn	➔	Total provisions	€9.6bn
Specific provisions / impaired loans	42%	➔	Specific provisions / impaired loans	48%
Total provisions / impaired loans	60%	➔	Total provisions / impaired loans	63%

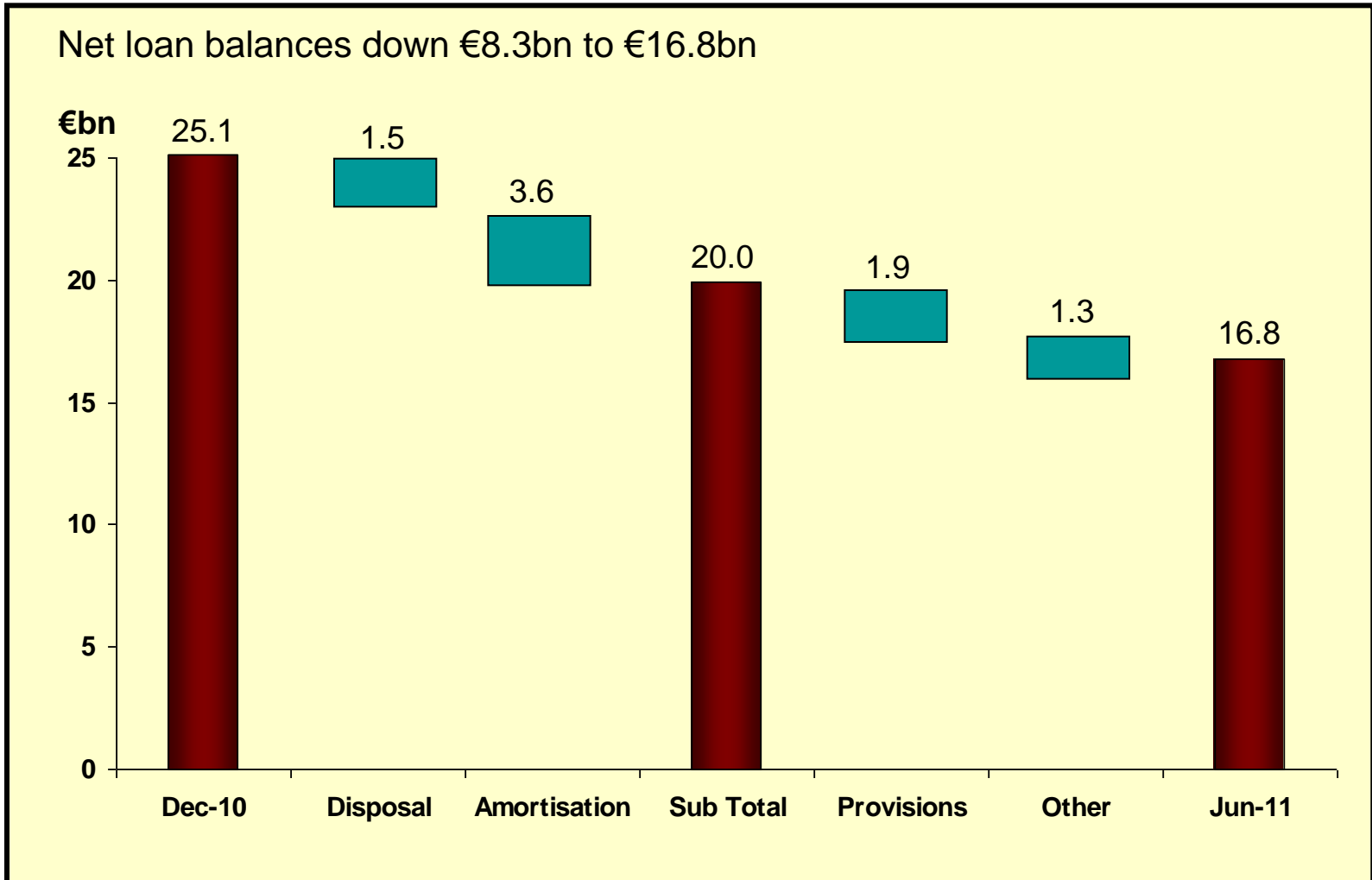
■ Available for Sale portfolio reduced by €7.0bn in year to date, including €3.2bn reduction in sovereign exposures

* Includes €2.6bn loans held for sale; excludes NAMA €1bn held for sale

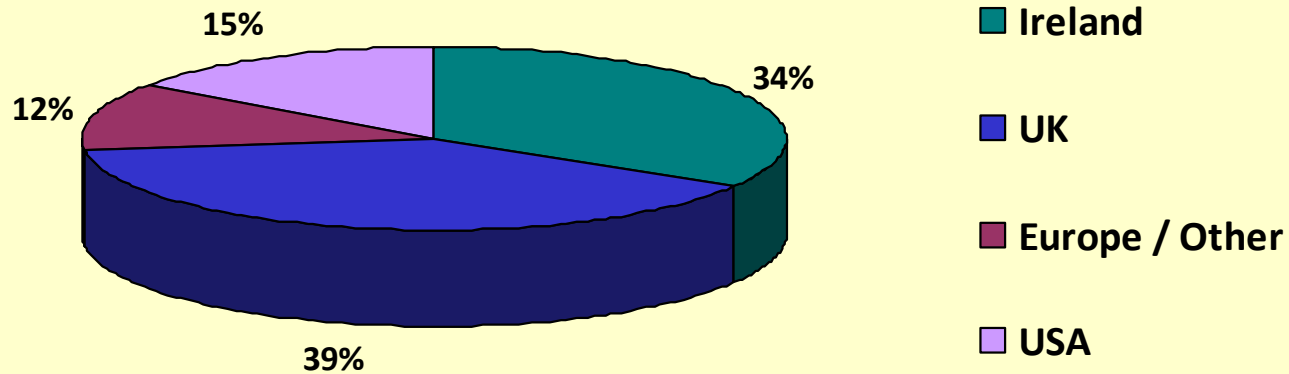


* includes NAMA loans

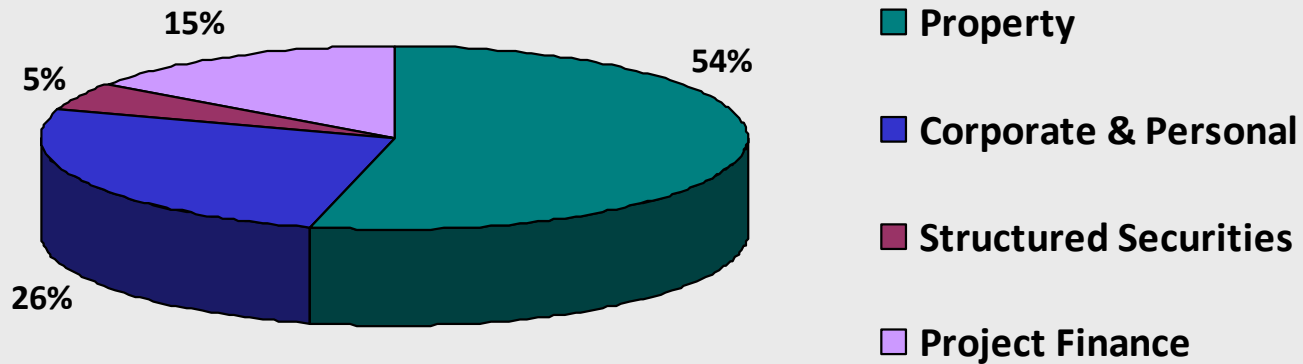
Non core deleveraging year to date



By Geography



By Sector



* management estimate

David Hodgkinson
Executive Chairman

Key objectives *(as presented in April 2011)*

- Deliver goals with new leadership and a reinvigorated workforce of skilled, engaged and accountable people



Progress

- Extensive changes to Board and management
- Changing AIB culture - new leadership behaviours specified

- Restore the bank to a sustainable position of stand-alone strength and stability with the capacity to grow in a measured and prudent manner



- Recapitalisation almost complete
- Non core unit fully operational

- Fulfil a key role in the recovery and development of the Irish economy



- AIB / EBS a pillar bank, acquisition complete

- Redefine customer proposition to meet their needs and expectations

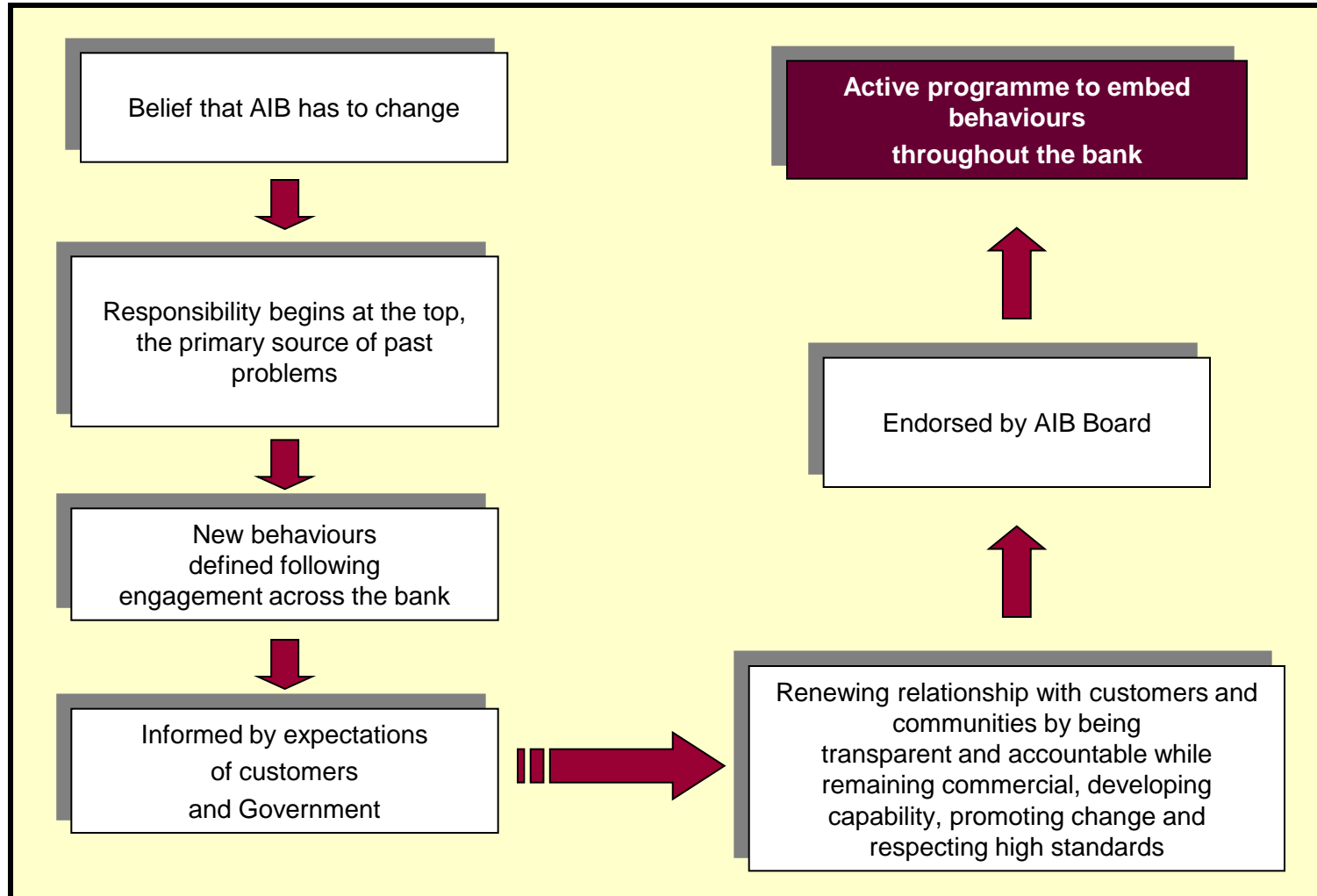


- New operating model - dedicated customer facing units
- Developing processes to improve access and identify improved customer solutions

- Strengthen controls, governance and approach to risk



- Major risk restructuring programme



Core tier 1 generated by AIB €9.8bn

Liability management exercises

2009	€1.1bn
2010	€0.4bn
2011 (Jan)	€1.5bn
2011 (Jul)	€2.1bn

Business disposals

M&T	€0.9bn
Polish business	€2.3bn

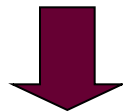
Business acquisitions

Anglo transaction	€1.5bn
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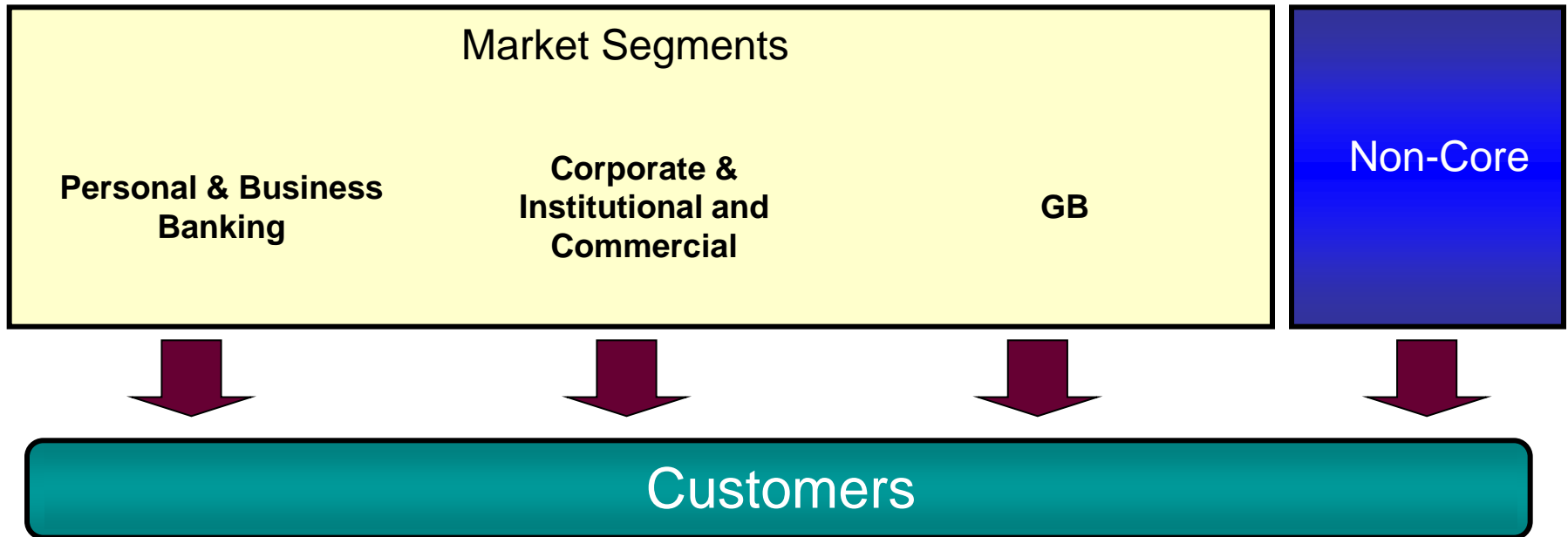
Government support to date

2009	€3.5bn
2010	€3.7bn

- Remaining €12.7bn PCAR requirement imminent (€14.8bn - €2.1bn LME)



Strongly capitalised - pro-forma core tier 1 ratio 22.4%



- Integrated bank with dedicated customer facing units
- Divisional structures dismantled

- Complete restructuring of risk and control
- Centralised control functions across the whole business
 - Finance, Risk, Credit and Audit
- Risk management owned by the business segments, full accountability and responsibility
- Risk control ownership across organisation for all risk, reports directly to Board Risk Committee
- Independent assessment of effectiveness by Internal Audit, reports directly to Audit Committee

Bernard Byrne
Director of Personal & Business Banking

Access

- Make it easier for our customers to access our services
 - Through our Branch Network
 - Through online, automated and Direct Channels
 - Facilitating access to our people, services and products

Assistance

- Have the appropriate products and services to really help customers
 - Well trained, solution focused professionals
 - Skills to help customers in financial difficulty
 - Suitable simple products (including credit) that fit people's needs
 - Competitive pricing

Attitude

- Always seeking to help the customer
 - New leadership behaviours
 - Solving problems when they arise
 - Dealing fairly with difficult situations

- All options being explored for the “can’t pay” customers working constructively with us
- Focus on trying to keep families in their homes
- Extensive staff training in 2011, mortgage specialists now available across our network
- More resources will be allocated
- Actively discussing long term, industry wide solutions with Central Bank

- Now tracking all loan requests to:
 - Help customers get to a “yes” by guiding them through the application process
 - Ensure we do lend to viable businesses
 - Develop better system oversight
- Training and redeploying our people
 - Reallocating skills to engage constructively with customers
 - Extensive classroom based training and e-learning modules for over 1,000 staff
- 150 customer workshops and seminars held nationwide, attended by 9,000 customers
- New job creation fund
- Much more to do

Questions & Answers

Our Group Investor Relations Department will be happy to facilitate your requests for any further information

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