

IE - Allied Irish Banks plc

Actual figures as of 31 December 2013	mln EUR, %
Operating profit before impairments	207
Impairment losses on financial and non-financial assets in the banking book	2,169
Common Equity Tier 1 capital ⁽¹⁾	8,923
Total Risk Exposure ⁽¹⁾	60,958
Common Equity Tier 1 ratio, % ⁽¹⁾	14.6%

Outcome of the adverse scenario as of 31 December 2016	mln EUR, %
3 yr cumulative operating profit before impairments	-508
3 yr cumulative impairment losses on financial and non-financial assets in the banking book	4,196
3 yr cumulative losses from the stress in the trading book	326
Valuation losses due to sovereign shock after tax and prudential filters	-35
Common Equity Tier 1 capital ⁽¹⁾	4,620
Total Risk Exposure ⁽¹⁾	66,744
Common Equity Tier 1 ratio, % ⁽¹⁾	6.9%

Memorandum items	mln EUR
Common EU wide CET1 Threshold (5.5%)	3,671
Total amount of instruments with mandatory conversion into ordinary shares upon a fixed date in the 2014 -2016 period (cumulative conversions) ⁽²⁾	0
Total Additional Tier 1 and Tier 2 instruments eligible as regulatory capital under the CRR provisions that convert into Common Equity Tier 1 or are written down upon a trigger event ⁽³⁾	1,600
Of which: eligible instruments whose trigger is above CET1 capital ratio in the adverse scenario ⁽³⁾	1,600

⁽¹⁾ According to CRR/CRD4 definition transitional arrangements as per reporting date. Figures as of 31/12/2013 computed as of first day of application: 01/01/2014.

⁽²⁾ Conversions not considered for CET1 computation

⁽³⁾ Excluding instruments with mandatory conversion into ordinary shares upon a fixed date in the 2014 -2016 period

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Common Equity Tier 1 ratio, % ⁽¹⁾	14.6%

Outcome of the baseline scenario as of 31 December 2016	mln EUR, %
3 yr cumulative operating profit before impairments	19
3 yr cumulative impairment losses on financial and non-financial assets in the banking book	1,703
3 yr cumulative losses from the stress in the trading book	125
Common Equity Tier 1 capital ⁽¹⁾	7,668
Total Risk Exposure ⁽¹⁾	61,684
Common Equity Tier 1 ratio, % ⁽¹⁾	12.4%

Memorandum items	mln EUR
Common EU wide CET1 Threshold (8.0%)	4,935

⁽¹⁾ According to CRR/CRD4 definition transitional arrangements as per reporting date. Figures as of 31/12/2013 computed as of first day of application: 01/01/2014.

P&L

(mln EUR)

	31/12/2013	Baseline Scenario			Adverse Scenario		
		31/12/2014	31/12/2015	31/12/2016	31/12/2014	31/12/2015	31/12/2016
Net interest income	1,347	1,347	1,347	1,347	1,347	1,260	1,144
Net trading income		-112	-87	-74	-212	-147	-115
of which trading losses from stress scenarios		-62	-37	-25	-163	-98	-65
Other operating income	-148.831	-163	-165	-166	-164	-166	-167
Operating profit before impairments	207	-13	12	20	-126	-150	-232
Impairment of financial assets (-)	-2153.393027	-703	-523	-461	-1,686	-1,406	-1,089
Impairment of financial assets other than instruments designated at fair value through P&L (-)	-2162.393027	-703	-523	-461	-1,686	-1,406	-1,088
Impairment Financial assets designated at fair value through P&L (-)	9	0	0	0	0	0	0
Impairment on non financial assets (-)	-15.327	-15	0	0	-15	0	0
Operating profit after impairments from stress scenarios	-1,962	-732	-511	-440	-1,828	-1,556	-1,320
Other Income and expenses	45.445	45	45	45	44	44	44
Pre-Tax profit	-1,916	-686	-466	-395	-1,784	-1,512	-1,276
Tax	119.3845836	206	140	119	535	454	383
Net income	-1,797	-480	-326	-277	-1,249	-1,058	-893
Attributable to owners of the parent	-1,797	-480	-326	-277	-1,249	-1,058	-893
of which carried over to capital through retained earnings	-1,797	-480	-326	-277	-1,249	-1,058	-893
of which distributed as dividends	0	0	0	0	0	0	0

RWA

(mln EUR)

	as of 31/12/2013	Baseline Scenario			Adverse Scenario		
		as of 31/12/2014	as of 31/12/2015	as of 31/12/2016	as of 31/12/2014	as of 31/12/2015	as of 31/12/2016
Risk exposure amount for credit risk	56,490	57,202	57,095	57,216	61,129	61,933	62,275
Risk exposure amount Securitisation and re-securitisations	733	1,103	1,322	1,464	1,620	2,149	2,482
Risk exposure amount Other credit risk	55,757	56,099	55,773	55,752	59,509	59,784	59,793
Risk exposure amount for market risk	1,220	1,220	1,220	1,220	1,220	1,220	1,220
Risk exposure amount for operational risk	3,174	3,174	3,174	3,174	3,174	3,174	3,174
Transitional floors for Risk exposure amount	0	0	0	0	0	0	0
AQR adjustments	75	75	75	75	75	75	75
Total Risk exposure amount	60,958	61,670	61,563	61,684	65,597	66,401	66,744

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Notes and definitions

(1) The exposures reported cover only exposures to central, regional and local governments on immediate borrower basis, and do not include exposures to other counterparts with full or partial government guarantees

(2) The banks disclose the exposures in the "Financial assets held for trading" portfolio after offsetting the cash short positions having the same maturities.

(3) The exposures reported include the positions towards counterparts (other than sovereign) on sovereign credit risk (i.e. CDS, financial guarantees) booked in all the accounting portfolio (on-off balance sheet).

*Irrespective of the denomination and/or accounting classification of the positions the economic substance over the form must be used as a criteria for the identification of the exposures to be included in this column. This item does not include exposures to counterparts (other than sovereign) with full or partial government guarantees by central, regional and local governments

2014 EU-wide Stress Test

Capital

CRR / CRDIV DEFINITION OF CAPITAL	Baseline Scenario				Adverse Scenario			COREP CODE	REGULATION
	As of 31/12/2013	As of 31/12/2014	As of 31/12/2015	As of 31/12/2016	As of 31/12/2014	As of 31/12/2015	As of 31/12/2016		
OWN FUNDS	10,297	9,589	8,883	8,106	8,773	6,938	5,080	CA1 {1}	Articles 4(118) and 72 of CRR
COMMON EQUITY TIER 1 CAPITAL (net of deductions and after applying transitional adjustments)	8,923	8,533	8,227	7,668	7,700	6,260	4,620	CA1 {1.1.1}	Article 50 of CRR
Capital instruments eligible as CET1 Capital (including share premium and net own capital instruments)	4,134	4,134	4,134	4,134	4,134	4,134	4,134	CA1 {1.1.1.1}	Articles 26(1) points (a) and (b), 27 to 29, 36(1) point (f) and 42 of CRR
Of which: CET1 instruments subscribed by Government	8,750	8,750	8,750	8,750	8,750	8,750	8,750	-	-
Retained earnings	-112	-592	-918	-1,195	-1,360	-2,419	-3,312	CA1 {1.1.1.2}	Articles 26(1) point (c), 26(2) and 36 (1) points (a) and (l) of CRR
Accumulated other comprehensive income	160	234	258	277	-357	-116	-159	CA1 {1.1.1.3}	Articles 4(100), 26(1) point (d) and 36 (1) point (l) of CRR
Of which: arising from unrealised gains/losses from Sovereign exposure in AFS portfolio	644	644	644	644	-21	150	59	-	-
Of which: arising from unrealised gains/losses from the rest of AFS portfolio	-2	-15	-24	-29	-57	-89	-111	-	-
Other Reserves	2,611	2,611	2,611	2,611	2,611	2,611	2,611	CA1 {1.1.1.4}	Articles 4(117) and 26(1) point (e) of CRR
Funds for general banking risk	0	0	0	0	0	0	0	CA1 {1.1.1.5}	Articles 4(112), 26(1) point (f) and 36 (1) point (l) of CRR
Minority interest given recognition in CET1 capital	0	0	0	0	0	0	0	CA1 {1.1.1.7}	Article 84 of CRR
Adjustments to CET1 due to prudential filters excluding those from unrealised gains/losses from AFS portfolio	-34	-34	-34	-34	-34	-34	-34	CA1 {1.1.1.9}	Articles 32 to 35 of and 36 (1) point (l) of CRR
Adjustments to CET1 due to prudential filters from unrealised gains/losses from Sovereign Exposure in AFS portfolio	-644	-644	-386	-258	17	-90	-24	-	
(-) Intangible assets (including Goodwill)	-178	-178	-178	-178	-178	-178	-178	CA1 {1.1.1.10 + 1.1.1.11}	Articles 4(113), 36(1) point (b) and 37 of CRR. Articles 4(115), 36(1) point (b) and 37 point (a) of CCR
(-) DTAs that rely on future profitability and do not arise from temporary differences net of associated DTLs	-3,838	-4,028	-4,155	-4,264	-4,351	-4,784	-5,148	CA1 {1.1.1.12}	Articles 36(1) point (c) and 38 of CRR
(-) IRB shortfall of credit risk adjustments to expected losses	0	0	0	0	0	0	0	CA1 {1.1.1.13}	Articles 36(1) point (d), 40 and 159 of CRR
(-) Defined benefit pension fund assets	-54	-50	-50	-52	-111	-213	-283	CA1 {1.1.1.14}	Articles 4(109), 36(1) point (e) and 41 of CRR
(-) Reciprocal cross holdings in CET1 Capital	0	0	0	0	0	0	0	CA1 {1.1.1.15}	Articles 4(122), 36(1) point (g) and 44 of CRR
(-) Excess deduction from AT1 items over AT1 Capital	0	0	0	0	0	0	0	CA1 {1.1.1.16}	Article 36(1) point (j) of CRR
(-) Deductions related to assets which can alternatively be subject to a 1.250% risk weight	0	0	0	0	0	0	0	CA1 {1.1.1.17 to 1.1.1.21}	Articles 4(36), 36(1) point (k) (i) and 89 to 91 of CRR; Articles 36(1) point (k) (ii), 243(1) point (b), 244(1) point (b) and 258 of CRR; Articles 36(1) point k) (iii) and 379(3) of CRR; Articles 36(1) point k) (iv) and 153(8) of CRR
Of which: from securitisation positions (-)	0	0	0	0	0	0	0	CA1 {1.1.1.18.1}	Articles 36(1) point (k) (ii), 243(1) point (b), 244(1) point (b) and 258 of CRR
(-) Holdings of CET1 capital instruments of financial sector entities where the institution does not have a significant investment	0	0	0	0	0	0	0	CA1 {1.1.1.22}	Articles 4(27), 36(1) point (h); 43 to 46, 49 (2) and (3) and 79 of CRR
(-) Deductible DTAs that rely on future profitability and arise from temporary differences	0	0	0	0	0	0	0	CA1 {1.1.1.23}	Articles 36(1) point (c) and 38; Articles 48(1) point (a) and 48(2) of CRR
(-) Holdings of CET1 capital instruments of financial sector entities where the institution has a significant investment	0	0	0	0	0	0	0	CA1 {1.1.1.24}	Articles 4(27); 36(1) point (i); 43, 45; 47; 48(1) point (b); 49(1) to (3) and 79 of CRR

(-) Amount exceeding the 17.65% threshold	0	0	0	0	0	0	0	CA1 {1.1.1.25}	Article 470 of CRR
Transitional adjustments	6,879	7,080	6,946	6,627	7,330	7,349	7,014	CA1 {1.1.1.6 + 1.1.8 + 1.1.26}	-
Transitional adjustments due to grandfathered CET1 Capital instruments (+/-)	3,500	3,500	3,500	3,500	3,500	3,500	3,500	CA1 {1.1.1.6}	Articles 483(1) to (3), and 484 to 487 of CRR
Transitional adjustments due to additional minority interests (+/-)	0	0	0	0	0	0	0	CA1 {1.1.1.8}	Articles 479 and 480 of CRR
Other transitional adjustments to CET1 Capital excl. adjustments for Sovereign exposure in AFS (+/-)	3,379	3,580	3,446	3,127	3,830	3,849	3,514	CA1 {1.1.1.26}	Articles 469 to 472, 478 and 481 of CRR
ADDITIONAL TIER 1 CAPITAL (net of deductions and after transitional adjustments)	0	0	0	0	0	0	0	CA1 {1.1.2}	Article 61 of CRR
Of which: (+) Other existing support government measures	0	0	0	0	0	0	0	-	-
TIER 1 CAPITAL (net of deductions and after transitional adjustments)	8,923	8,533	8,227	7,668	7,700	6,260	4,620	CA1 {1.1}	Article 25 of CRR
TIER 2 CAPITAL (net of deductions and after transitional adjustments)	1,374	1,056	657	438	1,072	678	459	CA1 {1.2}	Article 71 of CRR
TOTAL RISK EXPOSURE AMOUNT	60,958	61,670	61,563	61,684	65,597	66,401	66,744	CA2 {1}	Articles 92(3), 95, 96 and 98 of CRR
of which: stemming from exposures that fall below the 10% / 15% limits for CET1 deduction (+)	772	0	0	0	0	0	0		Articles 36(1) points (a) and (i); Article 38 and Article 48 of CRR
of which: stemming from from CVA capital requirements (+)	1036	0	0	0	0	0	0		Article 381 to 386 of CRR
of which: stemming from higher asset correlation parameter against exposures to large financial institutions under IRB the IRB approaches to credit risk (+)	319	0	0	0	0	0	0		Articles 153(2) of CRR
of which: stemming from the application of the supporting factor to increase lending to SMEs (-)	0	0	0	0	0	0	0		Recital (44) of CRR
of which: stemming from the effect of exposures that were previously part of Risk Exposure amount and receive a deduction treatment under CRR/CRDIV (-)	-3836	0	0	0	0	0	0		-
of which: others subject to the discretion of National Competent Authorities	0	0	0	0	0	0	0		Article 124 to 164 of CRR
Common Equity Tier 1 Capital ratio	14.64%	13.84%	13.36%	12.43%	11.74%	9.43%	6.92%	CA3 {1}	-
Tier 1 Capital ratio	14.64%	13.84%	13.36%	12.43%	11.74%	9.43%	6.92%	CA3 {3}	-
Total Capital ratio	16.89%	15.55%	14.43%	13.14%	13.37%	10.45%	7.61%	CA3 {5}	-
Common Equity Tier 1 Capital Threshold		4934	4925	4935	3608	3652	3671		
Total amount of instruments with mandatory conversion into ordinary shares upon a fixed date in the 2014 -2016 period (cumulative conversions) (1)		0	0	0	0	0	0		
Total Additional Tier 1 and Tier 2 instruments eligible as regulatory capital under the CRR provisions that convert into Common Equity Tier 1 or are written down upon a trigger event (2)					0	0	1600		
Of which: eligible instruments whose trigger is above CET1 capital ratio in the adverse scenario (2)					0	0	1600		
Fully Loaded Common Equity Tier 1 Capital ratio (3)				1.69%			-3.59%		

rotation

mentioned CRR/CRD IV definition of Common Equity Tier 1 capital including 60% of unrealised gains/losses from Sovereign Exposure in AFS portfolio

2014 EU-wide Stress Test - Restructuring scenarios

Effects of mandatory restructuring plans publicly announced before 31st December 2013 and formally agreed with the European Commission.					
	Baseline scenario		Adverse scenario		Narrative description of the transactions. (type, date of completion/commitment, portfolios, subsidiaries, branches)
	CET1 impact	Risk exposure amount impact	CET1 impact	Risk exposure amount impact	
(mln EUR)					
2013	0	0			<p>It has not been possible to dis aggregate the Restructuring Plan into discrete transactions or portfolios; The plan represents the forecast trajectory of the bank as the bank restructures its impaired book and restores viability to its performing assets and funding position.</p> <p>The key drivers of the RWA reduction are net redemptions and the significant restructuring of the Non Performing book (per restructuring plan). This has a knock on impact on impairment charges which positively benefits CT1 levels.</p>
2014	218.654442	-2084.843551	41.40303841	-2326.692358	
2015	439.5462188	-2120.860922	389.8382717	-4459.330401	
2016	777.9700195	-2060.433555	651.5480866	-3147.607763	
Total	1436.17068	-6266.138028	1082.789397	-9933.630521	

Outcome of the Stress Test based on the Restructuring plan for banks whose plan was formally agreed with the European Commission after 31 December 2013

	Baseline scenario				Adverse scenario		
	As of 31/12/2013	As of 31/12/2014	As of 31/12/2015	As of 31/12/2016	As of 31/12/2014	As of 31/12/2015	As of 31/12/2016
(mln EUR)							
COMMON EQUITY TIER 1 CAPITAL (net of deductions and after applying transitional adjustments)	8,923	8,515	8,633	8,806	7,745	6,730	5,831
TOTAL RISK EXPOSURE AMOUNT	60,958	59,585	57,358	55,418	63,271	59,615	56,810
COMMON EQUITY TIER 1 RATIO	14.64%	14.29%	15.05%	15.89%	12.24%	11.29%	10.26%

2014 EU-wide Stress Test

Major Capital Measures from 1 January to 30 September 2014

Major Capital Measures Impacting Tier 1 and Tier 2 Eligible Capital from 1 January 2014 to 30 September 2014

Issuance of CET 1 Instruments	Impact on Common Equity Tier 1 Million EUR
Raising of capital instruments eligible as CET1 capital (+)	0
Repayment of CET1 capital, buybacks (-)	0
Conversion to CET1 of hybrid instruments becoming effective between 1 January and 30 September 2014 (+)	0

Net issuance of Additional Tier 1 and T2 Instruments	Impact on Additional Tier 1 and Tier 2 Million EUR
Net issuance of Additional Tier 1 and T2 Instruments with a trigger at or above bank's post stress test CET1 ratio in the adverse scenario during the stress test horizon (+/-)	0
Net issuance of Additional Tier 1 and T2 Instrument with a trigger below bank's post stress test CET1 ratio in the adverse scenario during the stress test horizon (+/-)	0

Losses	Million EUR
Realized fines/litigation costs from 1 January to 30 September 2014 (net of provisions) (-)	0
Other material losses and provisions from 1 January to 30 September 2014 (-)	0