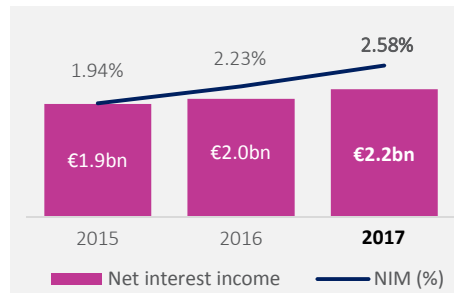


Financial targets / NIM / loan yields / cost of customer deposits

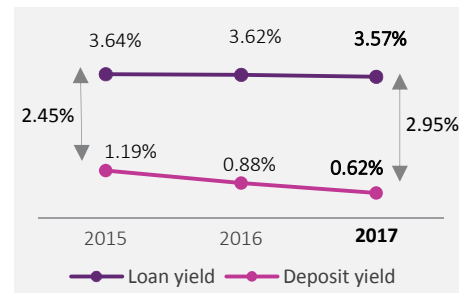
Medium-term financial targets

	Medium-term target (3-5yrs)	FY 2017
Net interest margin	2.40%+	2.58%
Cost income ratio	<50%	48%
CET1 ratio fully loaded	13.0%	17.5%
RoTE	10%+	12.3%

Positive NIM & net interest income trajectory



Stable loan yields & lower cost of customer deposits



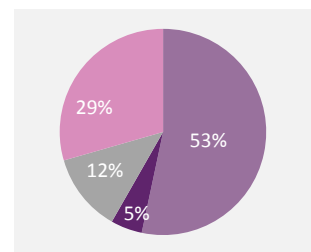
Loans and volumes

Earning loans €57.0bn up 2%, impaired loans €6.3bn down 31%

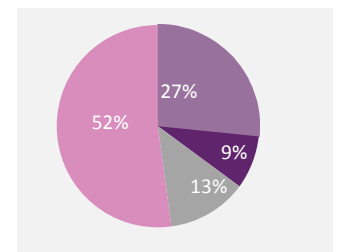
Customer loans (€bn)	Earning loans	Impaired loans	Gross loans	Credit provisions	Net loans
Opening bal (1 Jan 17)	56.1	9.1	65.2	(4.6)	60.6
New lending volumes	9.4	-	9.4	-	9.4
New impaired loans	(0.7)	0.7	-	(0.3)	(0.3)
Restructures / write-offs ⁽¹⁾	1.2	(1.6)	(0.4)	1.0	0.6
Disposals	-	(0.7)	(0.7)	0.4	(0.3)
Redemptions ⁽²⁾	(8.7)	(0.8)	(9.5)	-	(9.5)
Other movements	0.4	(0.4)	-	0.2	0.2
Balance excl. FX movements	57.7	6.3	64.0	(3.3)	60.7
FX movements	(0.7)	-	(0.7)	-	(0.7)
Closing bal (31 Dec 17)	57.0	6.3	63.3	(3.3)	60.0

⁽¹⁾ Includes non-contractual write-offs ⁽²⁾ New transaction lending netted against redemptions

Earning loans FY 17: €57.0bn



New lending FY 17: €9.4bn



- Residential mortgages
- Other personal
- Property & construction
- Corporate & SME (ex. property)

Rol mortgages by product

- Fixed
- Variable
- Tracker

	Dec 17	Dec 16
Fixed	10%	10%
Variable	57%	55%
Tracker	33%	35%

Asset quality

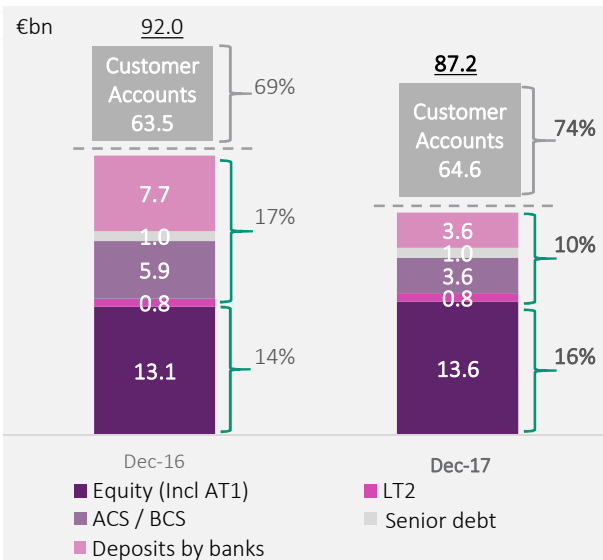
Dec 17	Residential mortgages	Other personal	Property and construction	Non-property business lending	Total
€bn					
Customer loans	33.7	3.1	8.8	17.7	63.3
Of which: Impaired	3.3	0.4	1.8	0.8	6.3
Balance sheet provisions (Specific + IBNR)	1.4	0.2	1.1	0.6	3.3
Specific provisions / impaired loans (%)	34%	56%	51%	54%	43%
P&L: Impairment (credit) / charge €m	(101)	(2)	(50)	40	(113)
Dec 16	Residential mortgages	Other personal	Property and construction	Non-property business lending	Total
€bn					
Customer loans	35.2	3.1	9.4	17.5	65.2
Of which: Impaired	4.6	0.4	2.7	1.4	9.1
Balance sheet provisions (Specific + IBNR)	2.0	0.3	1.5	0.8	4.6
Specific provisions / impaired loans (%)	38%	58%	50%	51%	44%
P&L: Impairment (credit) / charge €m	(111)	(22)	(145)	(16)	(294)

Non-performing exposures (NPEs)	€bn	Dec 17	Dec 16	LTV on Rol mortgages	2017	2016
Impaired		6.3	9.1	Rol mortgage stock	64%	74%
90DPD, collateral disposals & probationary periods		3.9	5.0	Rol impaired mortgage	91%	103%
NPEs ⁽³⁾		10.2	14.1			

⁽³⁾ Exclude €0.3bn of off-balance sheet commitments

Funding

Stable funding well positioned for growth



Credit ratings

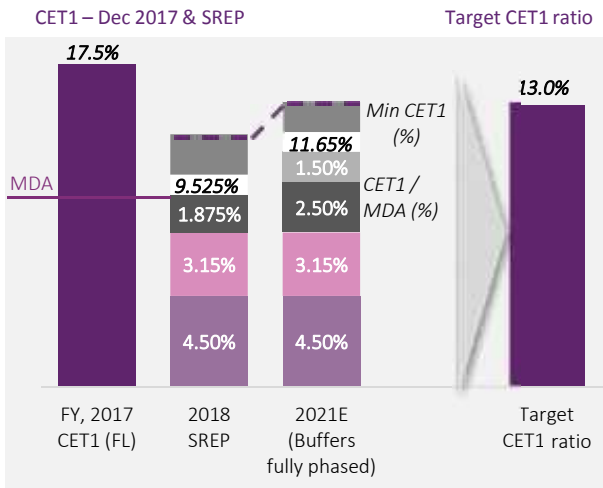
Allied Irish Banks, p.l.c	Long-term rating	
	Dec 17	Dec 16
Moody's	Baa2 / Stable (IG)	Baa3 / Positive
S&P	BBB- / Positive (IG)	BB+ / Positive
Fitch	BBB- / Positive (IG)	BB+ / Positive

Liquidity ratios well in excess of requirements

Liquidity metrics	FY 2017	FY 2016
Loan to deposit ratio (LDR)	93%	95%
Liquidity coverage ratio (LCR)	132%	128%
Net stable funding ratio (NSFR)	123%	119%

Capital

Steady-state target CET1 ratio of 13%



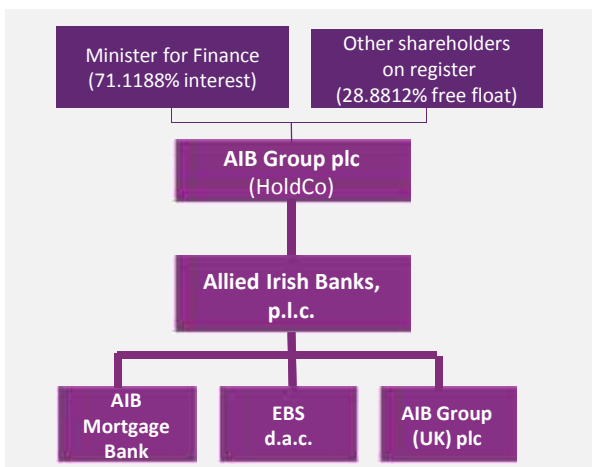
■ Pillar 1 CET1 ■ P2R ■ CCB ■ OSII ■ P2G & management buffer

Risk weighted assets – fully loaded (€m)	Dec 17	Dec 16	Movement
Credit risk	46,414	49,027	(2,613)
Market risk	360	288	72
Operational risk	4,248	3,874	374
CVA / other	801	1,230	(429)
Total risk weighted assets	51,823	54,419	(2,596)

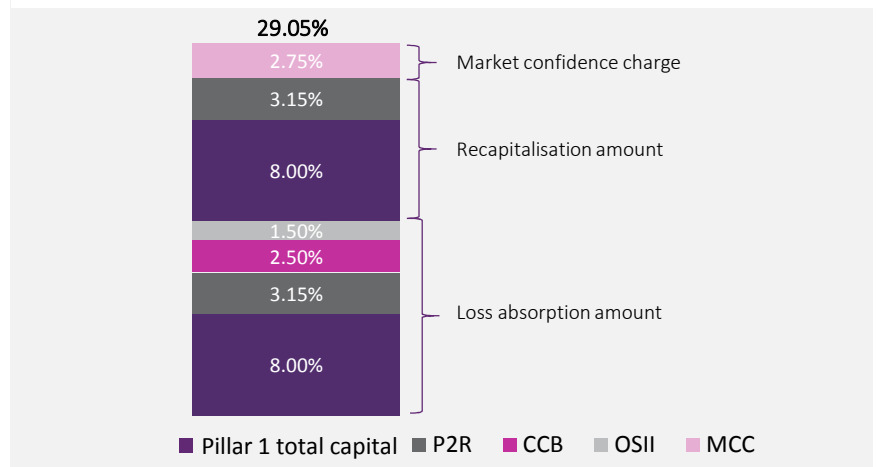
Capital ratios – fully loaded	Dec 17	Dec 16	Movement
CET1 ratio	17.5%	15.3%	+220bps
Total capital ratio	19.0%	17.6%	+140bps

HoldCo / MREL

Group legal structure post implementation of HoldCo



MREL informative target⁽¹⁾ – manageable issuance plans (€3bn - €5bn)



⁽¹⁾ MREL informative target = Loss absorption amount + Recapitalisation amount + Market confidence charge (CCB + OSII – 1.25%)

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