

Allied Irish Banks, p.l.c.

EGM

23 December 2009

Dan O'Connor
Executive Chairman
AIB Group



Two resolutions for consideration

1. To approve the Company's participation in the NAMA Programme
2. To permit the Company to convene certain shareholder meetings on 14 days' notice.



NAMA Programme Overview

- Restore stability to the banking system
- Facilitate restructuring of credit institutions of systemic importance
- AIB of systemic importance
 - Guarantee Scheme (Sept 2008)
 - €3.5bn NPRFC investment (May 2009)



AIB – NAMA Assets (as at 30 June 09)

Geographical Location	Land & Development Loans	Associated Loans	Total
ROI	€14.3bn	€6.4bn	€20.7bn
UK	€2.6bn	€0.7bn	€3.3bn
Rest of World	€0.2bn	-	€0.2bn
Total Loans	€17.1bn	€7.1bn	€24.2bn



Benefits of NAMA participation

- Reduce uncertainty relating to AIB
 - Improve liquidity and funding position
 - Reduce balance sheet leverage
 - Enable sale of loans and thereby determine Group's losses
- Restore confidence in AIB



Alternatives to NAMA Participation

- No viable alternative within required timeframe
- Company would require additional term funding and raising of further capital by mid-January



Capital

- Intention to raise additional capital
 - Asset sales
 - Strategic investor
 - Public share issue, which might require Government support



Shareholders' Rights Directive

- Implemented in August 2009
- Change to notice period for certain General Meetings
- Shareholder approval required to maintain 14 day notice period



Recommendation

- NAMA participation and resolutions in the best interest of shareholders
- Board recommends that Shareholders vote in favour of the resolutions

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