

Allied Irish Banks, p.l.c., New York Branch – Tailored Resolution Plan

Executive summary

(1) Describe the key elements of the covered company's strategic plan for rapid and orderly resolution in the event of material financial distress at or failure of the covered company.

Allied Irish Banks, p.l.c. (AIB) is submitting this plan as part of the third group of filers, generally those subject to the rule with less than \$100 billion in total U.S. non-bank assets. AIB is currently 99.8% owned by the Irish Government and has been designated as one of Ireland's two pillar banks.

Allied Irish Banks, p.l.c. (AIB) does not maintain any non-bank material entities or core business lines in the U.S. The only active presence AIB currently has in the U.S. is its New York branch, which is licensed by the New York State Department of Financial Services (NYSDFS) and represents approximately 0.25% of AIB's global balance sheet. As such, AIB New York is not an operation whose discontinuance or disorderly wind-down would have a material impact on or pose a threat to the financial stability of the U.S.

As a result of the recent worldwide financial crisis and pursuant to Ireland's EU/ECB/IMF Troika bail-out program, AIB was directed to identify and de-leverage non-core assets from its balance sheet. As part of this process, the Not-for-Profit credit business in AIB's New York branch was deemed to be non-core and the branch has consequently engaged in an active reduction of its NY assets resulting in the orderly reduction of the branch's business to its current levels:

Balance Sheet has decreased by 97%

Loans have decreased by 85%

Securities issued or guaranteed by U.S. government agencies have decreased by 99%

Letters of Credit have decreased by 98%

Throughout this process AIB has actively engaged both with customers and leading banks in the Not-for-Profit arena to achieve an orderly exit from this business. In the context of a material financial distress / failure scenario, AIB would further accelerate this ongoing process.

AIB New York is not actively engaged in proprietary derivative trading. The branch currently has 25 interest rate swap customers, down from 123 customers at year-end 2008, all of which represent customers managing interest rate exposures and all positions have been closed. The branch has not added any new interest rate swaps in recent years. In the context of a material financial distress / failure scenario, AIB would revisit and further progress this already established process.

AIB New York does not actively engage in proprietary foreign exchange trading. The branch's Customer Treasury Services unit continues to service a core foreign exchange customer base, which currently comprises less than 30 active customers engaged in spot and forward foreign exchange transactions.

Funding for AIB New York's business is provided primarily from Head Office. The branch does not have any customer deposits with a greater than 3-month maturity profile.

In the event of material financial stress / failure, as a NYSDFS licensed bank, AIB would be subject to Article 13 of New York Banking Law. Article 13 provides for two different ways of liquidating a NY State-licensed branch of a foreign bank, voluntarily and involuntarily.

If the bank is closed at Head Office, then the DFS superintendent would have no choice but to take possession of the branch and liquidate it under the involuntary liquidation provisions of Article 13. The DFS would close and liquidate the branch with a DFS examiner in charge – retaining a few employees to assist with the process. DFS could also hire a third party liquidator to operate under the DFS examiner in charge, but that would generally only be done for an unusually complex liquidation.

If the bank's head office remains open, the DFS could require all funds to be moved from asset maintenance in to the asset pledge account and require DFS approval to remove any funds. If it appears that the branch has enough funds to satisfy all its liabilities (except to head office) DFS could order the branch to voluntarily liquidate under the close supervision of the DFS. The DFS has procedures on how a branch of a foreign bank can liquidate voluntarily.

(2) Describe material changes to the covered company's resolution plan from the company's most recently filed resolution plan (including any notices following a material event or updates to the resolution plan). *If this is the first resolution plan the covered company is filing, an answer of "not applicable" is acceptable.*

Not applicable: this is the first resolution plan being filed by AIB.

(3) Describe any actions taken by the covered company since filing of the previous resolution plan to improve the effectiveness of the covered company's resolution plan or remediate or otherwise mitigate any material weaknesses or impediments to effective and timely execution of the resolution plan. *If this is the first resolution plan the covered company is filing, an answer of "not applicable" is acceptable.*

Not applicable: this is the first resolution plan being filed by AIB.