

Anglo Irish Bank Corporation Limited

Anglo Irish Bank Corporation Limited (the “Bank”) today published its Interim Report for the six month period to 30 June 2011.

The key financial results for the six month period are as follows:

- Operating profit for the period of €332m before disposals and provisions for impairment;
- Loss before taxation for the period of €101m;
- Total provisions for impairment of €778m, including a specific lending impairment charge of €939m and a release of €209m in the collective impairment provision. The specific lending impairment charge represents 5.4%¹ of average loan balances;
- Loss of €214m on the transfer in February 2011 of the majority of the Bank’s Irish and UK deposit books, certain NAMA senior bonds and shares in its Isle of Man subsidiary to Allied Irish Banks p.l.c. and its UK subsidiary, (together “AIB”);
- A net reduction of €601m in the overall reported loss on disposal of assets to NAMA, primarily representing a positive “true up” adjustment to the original consideration paid by NAMA on loans transferred during November and December 2010 following completion of full due diligence;
- Total operating expenses of €157m. Staff costs have fallen by 16% compared with the comparative period, primarily due to 210 staff transferring to AIB. The headcount at 30 June 2011 is 1,075, a reduction of 221 since 31 December 2010, and includes 130 people working in the Bank’s NAMA unit;
- Non staff costs have increased to €60m as a result of significantly higher professional fees related to ongoing work on loan book asset quality, litigation costs and other external reviews. Exceptional costs in the period of €29m primarily relate to professional fees associated with the Bank’s restructuring, the NAMA process and legacy investigations;
- Tier 1 Capital ratio of 12.1% and a Total Capital ratio of 13.7%. Regulatory capital ratios have increased since 31 December 2010 due to a reduction in risk weighted assets during the period of €5.3bn or 14%;
- Total funding from central banks and monetary Authorities of €40.8bn, representing 86% of total funding;
- Total assets are €54.1bn, a decline in the period of €16.7bn, or 24%, on a constant currency basis. Excluding the Government promissory note of €23.8bn, total assets are €30.3bn at 30 June 2011;
- Gross customer lending totals €32.8bn². Impaired loans amount to €16.9bn, with cumulative impairment provisions of €9.9bn representing 30% of total loan balances.

¹ Annualised

² Gross loan balances include €0.8bn of lending associated with the Group’s Assurance Company, Anglo Irish Assurance Company Limited

On 29 June 2011 the European Commission approved the joint restructuring and work out plan for the Bank and Irish Nationwide Building Society ('INBS') which had been submitted by the Irish Government on 31 January 2011. Pursuant to the restructuring plan, the Bank and INBS were to be combined and then resolved over a period of up to ten years.

On 1 July 2011 all of the assets and liabilities (with the exception of certain limited excluded liabilities) of INBS transferred to the Bank pursuant to a Transfer Order of the High Court under the Credit Institutions Stabilisation Act, 2010. On the same date the Bank announced its intention to change its name to Irish Bank Resolution Corporation Limited over the coming months. The results for the six months ended 30 June 2011 do not include any amounts relating to INBS.

Mike Aynsley, Group Chief Executive of Anglo Irish Bank said:

"The work completed by those in the Bank, in conjunction with the Authorities, since nationalisation has paved the way for an orderly and effective work out in the best interests of the Irish taxpayer. This reflects a major shift in focus for the organisation from being a high octane lender to an effective asset manager of portfolio sales and redemptions. This will remain our priority."

A copy of the full Interim Report can be found on the Group's website:

www.angloirishbank.com

Forward looking statements

This release includes statements that are, or may be deemed to be, forward looking statements. These statements involve risk and uncertainty because they relate to events and depend upon circumstances that will occur in the future. There are a number of factors which could cause actual results or developments to differ materially from those expressed or implied by these forward looking statements. The statements are based on current expected market and economic conditions, the existing regulatory environment and interpretations of IFRS applicable to past, current and future periods. Nothing in this statement should be construed as a profit forecast.

-Ends-

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