



First Maryland Bancorp Reports Adjusted Tangible Net Income up 28% to \$174m

21st January 1998

Allied Irish Banks, p.l.c. (AIB) today announced that its wholly owned US subsidiary, First Maryland Bancorp (FMB), has reported earnings of \$151.2m, for the year ended December 31, 1997 which represented a 14% increase over 1996. The results include a \$17.4m after-tax gain from the sale of bankcard loans in the third quarter. Excluding this gain, merger-related costs and amortised acquisition goodwill, tangible earnings for the year amounted to \$174.3m an increase of 28%.

FMB posted fourth quarter 1997 earnings of \$27.7m. These results include merger-related costs of \$12.5m after-tax (\$20m pre-tax) related to the acquisition of Dauphin Deposit Corporation on July 8th, 1997. Excluding the merger-related costs, reported fourth quarter earnings amounted to \$40.2m, a 12% increase on 1996.

Highlights of FMB's underlying performance since December 1996 included strong growth in retail lending (up 17.0%), commercial lending (up 12.9%), and good growth in trust and advisory fees (up 23%).

Asset quality remained strong with non-performing assets amounting to \$81.0m (0.45% of total assets). Non-performing loans of \$64.0m were covered 263% by total provisions of \$168.2m.

Commenting on the results, Tom Mulcahy, AIB Group Chief Executive said:

"This was a year of major achievement and change in our US operations. In terms of performance FMB had another strong year with particularly good results in the retail, commercial and trust businesses. We completed the major acquisition of Dauphin Deposit Corporation in July and I am pleased to say that the integration process is well underway.

With the anticipated sale of our credit card and mortgage origination businesses, FMB is clearly focused on its core strengths and on maximising its potential in its enlarged market".

In December 1997 FMB announced an agreement to sell its consumer credit card portfolio to Bank of America, N.A. The transaction is expected to be completed shortly and will result in a pre-tax gain of approximately \$60m. Under the terms of the agreement, Bank of America will provide a full range of consumer credit card products under First Maryland brand names.

In December 1997 FMB also announced an agreement with National City Mortgage Company to sell certain assets of the mortgage loan origination businesses of two subsidiaries at approximately book value. This transaction is also expected to close in the near future.

First Maryland will continue to offer mortgages and home equity products through its branch network.

First Maryland Bancorp is the holding company for the First National Bank of Maryland, Dauphin Deposit Bank, and The York Bank. Headquartered in Baltimore, First Maryland operates nearly 300 branches and more than 400 ATMs from southern Pennsylvania through Maryland and the District of Columbia and into northern Virginia. First Maryland currently has assets of approximately \$18 billion.