



**AIB Announces DIRT Settlement With Irish Revenue Commissioners
3rd October 2000**

Allied Irish Banks, p.l.c today announced that it had reached a full and final settlement with the Irish Revenue Commissioners of IR£90.04 million in relation to the Group's Deposit Interest Retention Tax (DIRT) for the period 1986 to 1999.

The terms of the settlement are as follows:

Period	DIRT IR £m	Interest & Penalties IR £m	Total IR £
1986/87 to 1991/92	32.92	54.23	87.15
1992/93 to 1998/99	1.66	1.23	2.89
TOTAL	34.58	55.46	90.04

This settlement includes tax of IR£1.08 million paid in prior years in respect of cases discovered by AIB after 1991. Therefore, an amount of IR£88.96 million, which has now been paid, will be reflected in the accounts of AIB Group for the year ending 31 December, 2000.

The total DIRT paid by AIB is now as follows:

Period	Original DIRT Paid IR £m	Additional DIRT now paid (see table above)IR £m	Total paid for period IR £m
1986/87 to 1991/92	304.10	32.92	337.02
1992/93 to 1998/99	298.80	1.66	300.46
TOTAL	602.90	34.58	637.48

AIB Chairman Lochlann Quinn said:

"Although AIB believes that it had an agreement with the Revenue Commissioners in 1991 in relation to DIRT, the Board of AIB considers that concluding this settlement is in the best interests of shareholders, customers and staff.

The settlement brings finality to the DIRT issue and follows an intensive and thorough audit by the Revenue Commissioners lasting 15 months in which AIB co-operated fully. AIB would like to apologise for past shortcomings in the administration of DIRT. AIB continues to recognise the importance of full compliance with tax law and is committed to achieving the highest possible levels of compliance."