



**Update on AIB Foreign Exchange Charges Investigation
10th June 2004**

On 11 May 2004, the Chairman of AIB, Mr Dermot Gleeson, announced that an independent investigation of certain foreign exchange charges made by AIB had been instigated in consultation with IFSRA. It was expected by AIB that this investigation would be completed by mid June.

On 14 May AIB announced, with the approval of IFSRA, that Mr Lauri McDonnell had been appointed to act as independent assurer of the investigation.

The investigation is being carried out by independent investigating accountants from Deloitte approved by IFSRA and AIB. Mr Mc Donnell's role is to provide assurance to IFSRA and the AIB Board of the integrity and independence of the investigation.

The investigation will now cover all charges from 1996 which were notifiable to the Regulator. Having been advised by IFSRA, Mr McDonnell and Deloitte, AIB has now agreed that more time is required to progress the work. A first report, compiled by Deloitte with Mr McDonnell's independent assurance, will be rendered to IFSRA and AIB before the end of July.

It is planned that this report will deal with the amount of overcharging involved, including the interest payable, and the number of customers affected. This will be followed shortly afterwards by a second report which will determine why the overcharging occurred and why it was allowed to persist for such a long period. An additional report covering systems and control issues will be submitted to AIB and IFSRA as soon as possible after this.

The AIB Board will consider the reports and will determine appropriate actions in light of its conclusions and findings as well as any regulatory findings and requirements made by IFSRA. AIB has already lodged €25m with the Central Bank to cover the expected cost of reimbursing customers.

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