



AIB statement in relation to foreign exchange charges

7th May 2004

AIB informed the Office of the Director of Consumer Affairs (DCA) in 1996 of a wide range of foreign exchange charges and margins. In that notification there was an error in relation to one of the margins listed. The notification stated that the margin for non cash transactions over £500 was 0.5% when, in fact, the margin being levied was 1%.

This error was not addressed until April 2004 and AIB is now in discussion with IFSRA in order to review and rectify the situation. Part of this process involves AIB carrying out an investigation into how this situation occurred and sharing the results of this with IFSRA.

The discrepancy between the 1% charged and the 0.5% erroneously notified to the DCA amounts to a total of approximately €14m. The nature of these transactions means it will not be possible to identify most of the people who carried them out. Consequently, part of AIB's discussion with IFSRA will cover proposals on how to make appropriate restitution.

AIB apologises for this error and the fact that it went unaddressed for such a long period.

A customer help line is available at 1800 787 564. This phonenumber will be open from 8am until 8pm, Friday 7 May, and from 9am to 5pm on both Saturday 8 and Sunday 9 May.