



Ark Life announces strong upturn in second half of 2003

14th January 2004

Ark Life, AIB's life assurance and pensions company, today reported sales of €103.7 million in 2003 (2002 €162.1 million), as measured by APE. (APE = Annual Premium Equivalent which is 10% of new Single Premium sales plus 100% of Regular premium sales). Excluding SSIA's, the corresponding results are €102.2 million in 2003 up from €99.9 million in 2002.

Commenting on the company's performance, Mr. Billy Finn, Managing Director of Ark Life, said; "Overall the market for life and pensions was down in 2003. This reduction is more a reflection of exceptional items in 2002, when the market was boosted by the closing of the SSIA campaign early in the year as well as the last January deadline for the self employed to file tax returns.

"The second half of the year therefore provides a far more realistic picture of true underlying performance. In overall APE terms Ark Life grew 40% in the second half of 2003 compared to average growth by other companies of 17%. (Source: Life Strategies market survey). In fact, Ark Life grew its market share from 9% in the first half of 2002 to almost 12% in the second half. Overall, this is a very strong performance given that Ark Life sold solely through the AIB branch channel and we are confident that we will build on this growth in 2004."

Commenting on Ark Life's performance in the new PRSA market Mr. Finn said; "PRSAs are beginning to have an impact and the Government's pensions information campaign is also paying dividends. Ark Life led the industry in promoting PRSAs and we are very pleased with our performance, securing 24% market share in 2003. With over 30% of Employer PRSA "designations" Ark Life is set to consolidate this very strong position in the PRSA market in 2004".

He added; "Currently only 50% of those at work have a pension and, with our aging population we need to broaden that base considerably. Otherwise we are faced with the prospect of higher taxation to support those in retirement and a substantial drop in living standards as people enter retirement. SSIA's have given people the discipline of monthly savings and we need to harness that into developing a culture of planning for retirement.

One way might be for the Government to reward those savers who transfer their SSIA savings into a pension fund through additional tax relief or the provision of a lump-sum pensions top-up. It would also act as a measure to protect against overheating in the economy and higher inflation as SSIA savings become available in 2006."

Ark Life Results 2003

- As measured by APE (Annual Premium Equivalent which is 10% of new Single Premium Sales plus 100% of new Regular Premium Sales, Ark Life achieved sales of €103.7 million (2002: €162.1 million).
- Excluding SSIA's – sales were €102.2 million in 2003 up from €99.9 million in 2002.
- New Regular Premium business amounted to €56.2 million (2002 figure €114.5 million). Of this total, New Regular Pensions were €29.7 million (2002 €28.3 million).
- Sales of single premium investments were €475 million, (2002 €476 million).
- Investment Bonds where Ark Life has 25% market share in 2003 (up from 21% in 2002).
- Ark Life achieved a 24% share of the PRSA market, with 31% share of employer 'designations'.

For reference:

Laurie Mannix / Vivienne Bushell
Kinman Public Relations

Tel: 01-678 8330

Mob: 086-8143710 / 087-9558222

Brian Woods

Ark Life

Tel: 01-668 1199