



AIB OFFERS 3% TO ONLINE SAVERS

16th August 2005

AIB is offering 3% p.a. (A.E.R. 3.0% - 4.5%*) on an online savings account for new and existing customers from 22nd August 2005. In addition there is a price promise that this variable rate will not reduce below the European Central Bank REFI rate before 1st January 2007.

Hugh O'Keeffe, Head of AIB Resources Strategy & Products said, "This is a truly online savings account providing instant transaction capability, facilitating the lodgement or withdrawal of funds at the click of a mouse. It also potentially delivers the highest savings rate in the Irish marketplace when the annual bonus interest is taken into account."

* For details please see attached

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FURTHER DETAIL ON BONUS INTEREST

A.E.R. refers to the Annual Equivalent Rate. The A.E.R. attaching to the 3% variable rate on the Online Personal Savings Plan is 3.0% - 4.5% due to the bonus interest element available on the account.

Customers can avail of bonus interest on the account if they make no more than one withdrawal and make regular lodgements every month between 1st April and 31st March the following year.

The Bonus interest is added to the interest earned on the account in April of each year. Customers have the potential to earn:

bonus interest of 10% of interest earned in Year 1

bonus interest of 20% of interest earned in Year 2

bonus interest of 30% of interest earned in Year 3

bonus interest of 40% of interest earned in Year 4

bonus interest of 50% of interest earned in Year 5

When 5 years have been reached, the bonus cycle starts all over again with 10% in year 6 and increases incrementally as before.