



AIB Group Interim Results 2007
1st August 2007

Highlights - AIB Group interim results 2007

Basic earnings per share EUR 114.7c
less profit on disposal/development of property(1) EUR (8.3c)
adjust for hedge volatility(2) EUR 2.4c
Adjusted basic earnings per share EUR108.8c up 16% (3)

Divisional operating profit performance (4)

- AIB Bank ROI up 17%
- Capital Markets up 12%
- AIB Bank UK up 19%
- Poland up 37%
- M&T contribution up 1%

Income/cost gap +4%
Cost income ratio down 1.2% to 51.2%
Bad debt provision charge of 0.04%
Return on equity 23.8%
Tier 1 capital ratio 7.6%
Interim dividend of EUR 27.8c, up 10%

AIB Group Chief Executive Eugene Sheehy said:

‘Our business has performed strongly in the first half of 2007. Customer demand continues to drive high quality growth and this demand is well spread across our Irish and international franchises. I am confident that we will continue to grow our business and achieve excellent returns for our stakeholders. My confidence is based on our top class people operating in attractive economies and markets where we are delivering a compelling combination of good value products and services through our customers’ chosen channels.’

(1) Includes profit on new Bankcentre development (construction contract income; € 44 million before tax, € 38 million after tax) and profit on sale of 16 branches in the Republic of Ireland (€ 41 million before tax, € 35 million after tax).

(2) The impact of interest rate hedge volatility (hedging ineffectiveness and derivative volatility) was a decrease of € 25 million to profit before taxation for the half-year (€ 21 million after tax).

(3) A 16% increase compared with EUR 94.2c for the half-year to June 2006. The EUR 94.2c in 2006 excludes the profit on disposal of Ark Life discontinued operation (€128 million after tax), the transfer by Ark Life of the management of certain investment contracts to Aviva as part of the disposal of Ark Life (€ 26 million after tax), the profit on the new Bankcentre development (€ 34 million before tax, € 29 million after tax), part of the profit on the disposal of the existing Bankcentre (€ 89 million before tax, € 66 million after tax) and the impact of interest rate hedge volatility (hedging ineffectiveness and derivative volatility) in the half-year to June 2006 (a decrease of € 19 million to profit before tax, € 15 million after tax).

(4) Operating profit excludes profit from disposal of property/businesses, construction contract income and associated undertakings. The percentage increase excludes the impact of exchange rate movements on the translation of foreign locations' profit.

Dividend

The Board has declared an interim dividend of EUR 27.8c per share, an increase of 10% on the half-year ended 30 June 2006. The dividend will be paid on 25 September 2007 to shareholders on the Company's register of members at the close of business on 10 August 2007.

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