



AIB Preliminary Results 2008

2nd March 2009

KEY INFORMATION - AIB GROUP ANNUAL RESULTS 2008

Profitability(1)

Operating profit before provisions of s 2,711 million, up 18%

Profit for the period s 885 million

AIB Bank ROI loss of s 52 million in 2008; operating profit(2) in line with 2007

Capital Markets profit up 13%; operating profit(2) up 52%

AIB Bank UK profit down 61%; operating profit(2) in line with 2007

Poland profit down 9%; operating profit(2) up 25%

M&T US\$ contribution down 17%

Efficiency

Income/cost growth rate gap +11%

Cost income ratio down 5.3% from 51.8% to 46.5%

Asset quality

Impaired loans at 2.3% of customer loans

Criticised loans at 11.7% of customer loans

Provision charge at 1.37% of average loans

IBNR provisions: 0.73% of average loans

Earnings per share

Basis earnings per share	EUR 82.9c
less profit on disposal of businesses (3)	EUR (12.0c)
less profit on disposal/development of property (4)	EUR (1.4c)
adjust for hedge volatility (5)	EUR ((3.0c)

Adjusted basic earnings per share

EUR 66.5c down 68% (6)

Balance sheet funding

Customer funding 54% of our balance sheet requirement, up from 48% at 31 December 2007

Loan deposit ratio at 140%, down from 157% at 31 December 2007

Capital Ratios	31/12/08	Proforma(7) 31/12/08
Core tier 1 ratio	5.8%	8.4%
Tier 1 ratio	7.4%	10.0%
total capital ratio	10.5%	13.1%

(1) The percentage changes compared with 2007 are on an underlying basis excluding the impact of exchange rate movements on the translation of foreign locations' profit, the impact of interest rate hedge volatility (hedging ineffectiveness and derivative volatility) and profit on disposal of AIB's merchant acquiring businesses.

(2) Operating profit before provisions.

(3) Profit on disposal of 50.1% of AIB's merchant acquiring businesses (s 106 million after taxation). Arising from this transaction, a merchant acquiring joint venture was formed with First Data Corporation.

(4) Construction contract income (s 11 million after taxation) and sale of 2 branches in the Republic of Ireland (s 1 million after taxation).

(5) The impact of interest rate hedge volatility (hedging ineffectiveness and derivative volatility) was an increase of s 27 million to profit before taxation in the year to December 2008 (€ 26 million after taxation).

(6) A 68% decrease compared with EUR 205.9c for the year to December 2007 (see note 15).

(7) Includes the s 3.5 billion of core tier 1 capital from the Irish Government as announced on 11 February 2009, subject to shareholder, regulatory and EU state aid approval.

Dividend

No final dividend will be paid. The interim dividend, paid on 26 September 2008, was EUR 30.6c per share.

For further information please contact:

John O'Donnell
Group Finance Director
Bankcentre
Ballsbridge
Dublin 4
Tel: +353-1-6600311 Ext 14412

or

Alan Kelly
General Manager, Group Finance
AIB Group
Bankcentre
Ballsbridge
Dublin 4
Tel: +353-1-6600311 Ext 12162

or

Catherine Burke
Head of Group Corporate Relations
AIB Group
Bankcentre
Ballsbridge
Dublin 4
Tel: +353-1-6600311 Ext 13894