



AIB Statement

8th February 2010

As part of our ongoing review of our services and procedures, AIB has identified an error in relation to the classification of some customers' accounts resulting in incorrect charges being applied.

The account classification process defines accounts as personal or business and determines the fees/charges and interest package to be applied. An element of the account classification process has been found to be vulnerable in some cases, resulting in accounts being mistakenly entered into the wrong category. This means that some personal accounts may have been classified as business and some business accounts as personal. This incorrect classification may have arisen over a number of years and could result in incorrect fees and charges and/or interest being applied to customer accounts.

AIB informed the Financial Regulator of this when the issue was identified in November 2008. At the request of the Financial Regulator, independent assurance is being provided by KPMG and a process is underway to identify the accounts which might be impacted and to ensure that they are fully reimbursed where appropriate by 31 March 2011.

AIB has begun writing to potentially impacted customers and will contact all impacted customers before 31 December 2010 to make them aware of the issue, apologise and inform them of the steps we are taking to rectify the matter. Any customer who has been overcharged as a result of being wrongly classified will be fully reimbursed including compensatory interest. Any customer who has been undercharged will have their account status changed to the correct classification and AIB will not be recouping the fees and/or interest which have been underpaid.

Systems changes have been made to prevent a reoccurrence of this issue.

Until the full process is complete, it is not possible to quantify exactly how many accounts are affected and what the total refund amount will be. However currently it is estimated that the number of accounts requiring refund would be 40,000 and the total refund would be €4m plus compensatory interest (therefore the average refund is expected to be €100).

-Ends-

For further information, please contact:

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