

Reasons to be with AIB...

Continuing gains in efficiency... resilience
in our geographical locations... diversity in
revenue streams. *AIB Summary Review 2007*



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All about AIB...

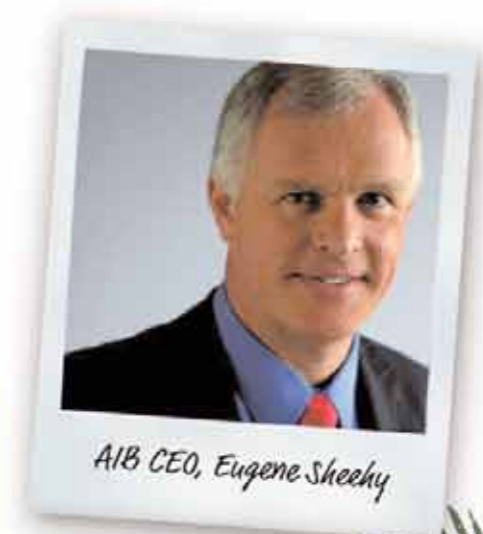
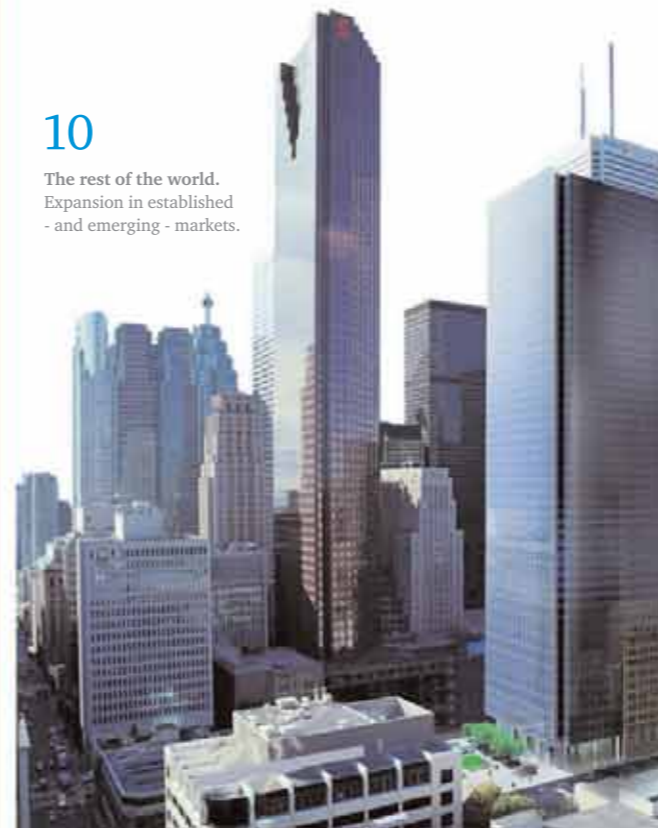
How did AIB Group perform in 2007?
Where does it operate? What does it do?
And what are the prospects for the future?

This Summary Review answers these questions - and more...



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The rest of the world. Expansion in established - and emerging - markets.



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CEO Eugene Sheehy on AIB's performance in 2007 - and what's next.

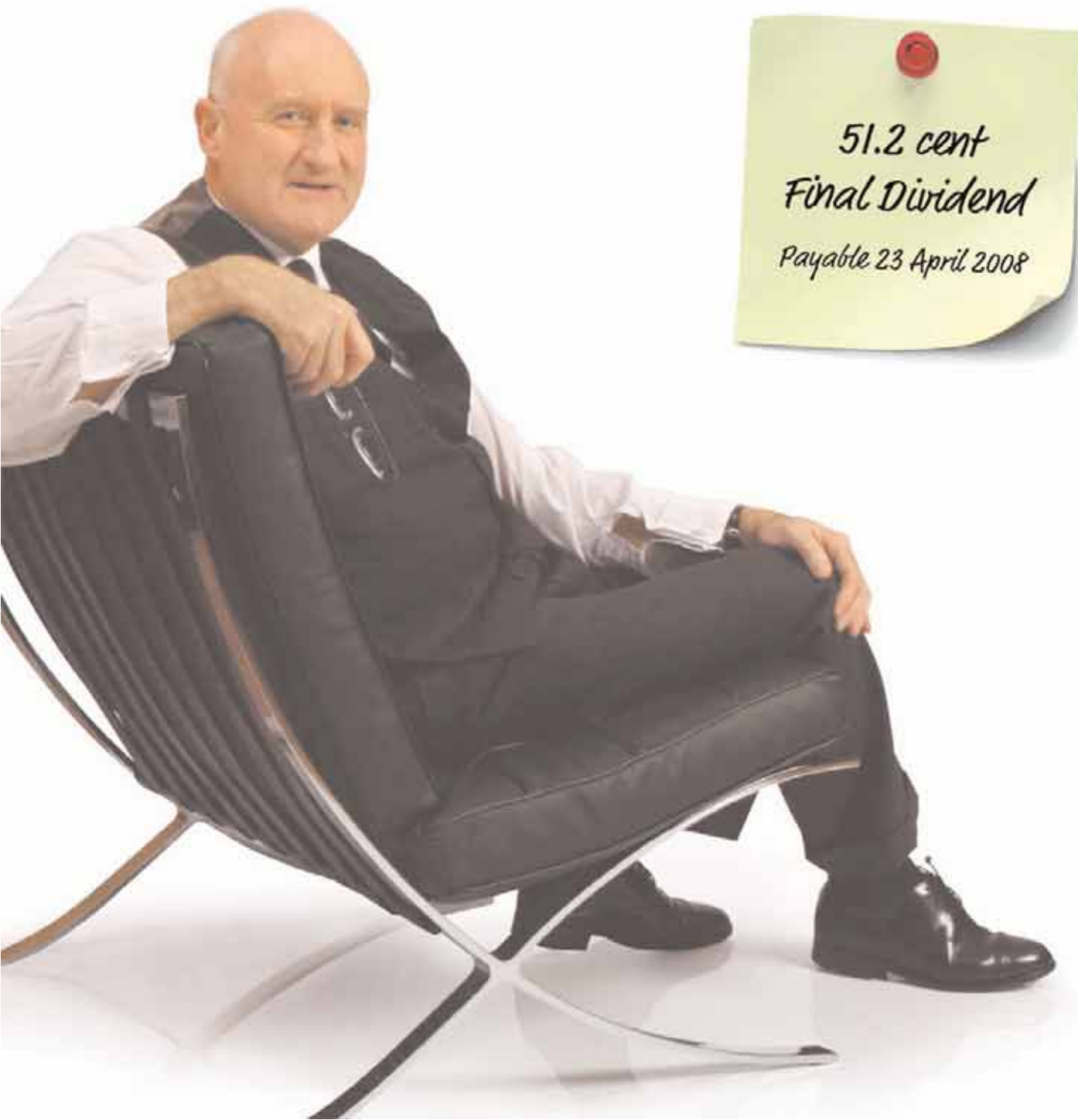
14

How AIB customers are saving paper - and the rainforest.



On course for growth

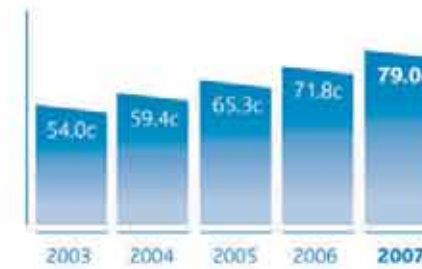
AIB's performance in 2007 was strong. This success is reflected in the total dividend for shareholders of EUR 79c, which is 10% higher than in 2006.



51.2 cent
Final Dividend
Payable 23 April 2008

Dividend Growth Trend

This represents compound growth over 5 years of 10%



This outcome continues AIB's proud record of double digit growth in total dividend every year since 1993.

AIB Group is an effective, efficient and well-run banking and financial services company - one that delivers top-quality products and services to millions of customers around the world.

Our asset quality is expected to remain good, our capital position is excellent and our level of funding support is strong.

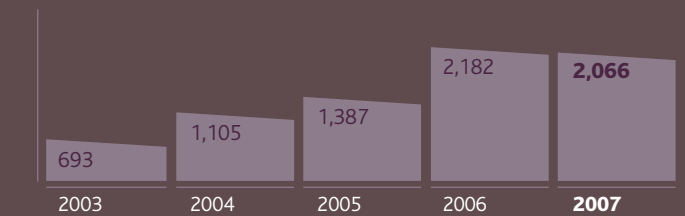
Together, these factors make me believe that AIB is on course to deliver growth to our shareholders this year and into the future.

Dermot Gleeson
Chairman

Five Year Trends

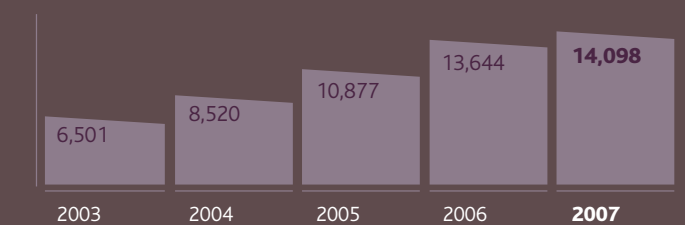
> After Tax Profit 2007 €2,066 Million

2003/2006 on a continuing operations basis.



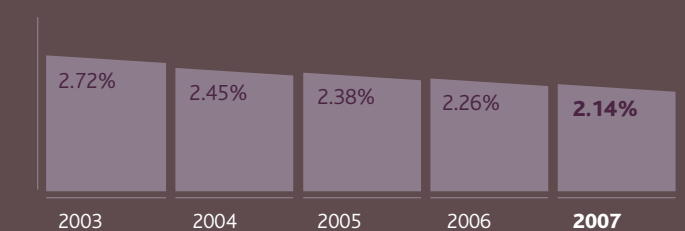
> Total Capital 2007 €14,098 Million

2004 figure at 1 Jan 2005 for comparative purposes.

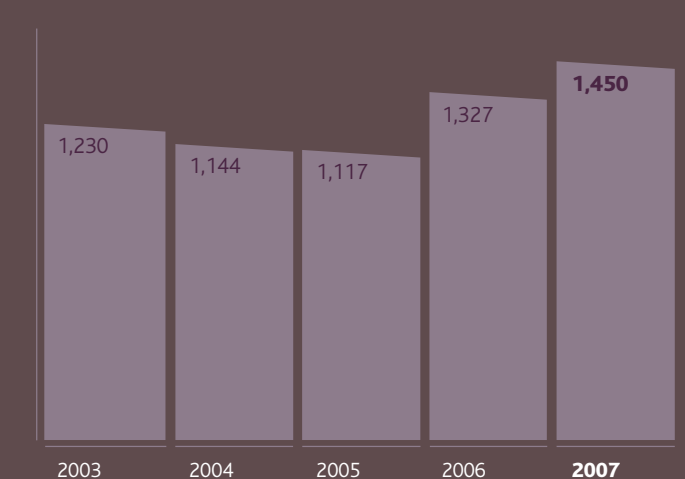


> Net Interest Margin 2007 2.14%

AIB's net interest margin is the difference between what the bank pays for money - including deposits - and what we charge our borrowing customers.



> Other Income 2007 €1,450 Million



A diverse business, in more ways than one

AIB Group today is a truly diverse banking and financial services organisation.

To date, we have a presence in 14 countries – with Ireland, Poland, the UK and the US our main focus.

We're also diverse in the type of business that we do. Over the next few pages, we look at just some of the market sectors we operate in – and examine some of the key stories of 2007.

*Management estimate of continuing operations reflecting the geographic markets from which profit was generated. Does not include profit on disposal / development of properties and hedge volatility.

Pre-tax profit
by geography
2007*...

Republic of
Ireland
43%

Poland 16%
UK 30%

USA 8%
Rest of World 3%

At home, balanced growth

AIB's home market is the Republic of Ireland. It's the base for two divisions: AIB Bank ROI and AIB Capital Markets.

In 2007, AIB Bank ROI increased its operating profit by 14%. The retail bank extended and protected its market share in a range of sectors. Loan growth was good, the bank defended its position in the deposit market and it saw demand for investment products rise.

AIB Bank retains a distinctive position in its market in the eyes of customers, investors and employees. AIB leads the way in developing ever closer customer relationships, through a mix of regular personal contact and pioneering technology which gives more access than ever to customers.

AIB Capital Markets is an international corporate banking, treasury and investment banking business based in Dublin. It saw its operating profit rise by 6% in 2007 thanks to good business volumes, tight cost control and superior credit management. Its key

Irish-based businesses include corporate banking, stockbroking, corporate advisory services and financial outsourcing activities. They all played an important part in contributing to the exceptional level of growth.

The outlook for 2008 in Ireland is more challenging. AIB's operations are well placed to deliver profitable growth in an economy that may not be growing as fast as in recent times, but still is enjoying growth rates ahead of the European average.

Starring our customers...

In 2007, AIB Bank launched an advertising initiative in the Republic that featured real-life customers telling their stories of their close relationships with the bank. As part of the well received campaign, actor Peter Halpin and horse breeder Dermot Cantillon featured in television commercials. More AIB customer stories will air in 2008.



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Expansion in an emerging economy

AIB has a substantial presence in Poland with its 70.5% stakeholding in Bank Zachodni WBK. AIB Capital Markets also operates in the country.

In 2007, AIB Poland saw its operating profit rise by 29% on a constant currency basis with BZ WBK, the key driver of this performance. It's a modern and efficient bank, enjoying well spread growth in a dynamic economy across sectors that include retail and business lending, asset management, mortgages, stockbroking and deposits.

The bank is now continuing its branch expansion programme which saw 34 branches opening in 2007 along with investment in business centres and new banking channels.

AIB Capital Markets division also jointly owns a mutual funds business with BZ WBK, which has one of the largest shares of the Polish market.



Organic growth across the UK

AIB has three distinct businesses in the United Kingdom, serving a wide range of personal, business and corporate customers.

AIB Bank UK division saw its operating profit rise by 20% on a constant currency basis in 2007.

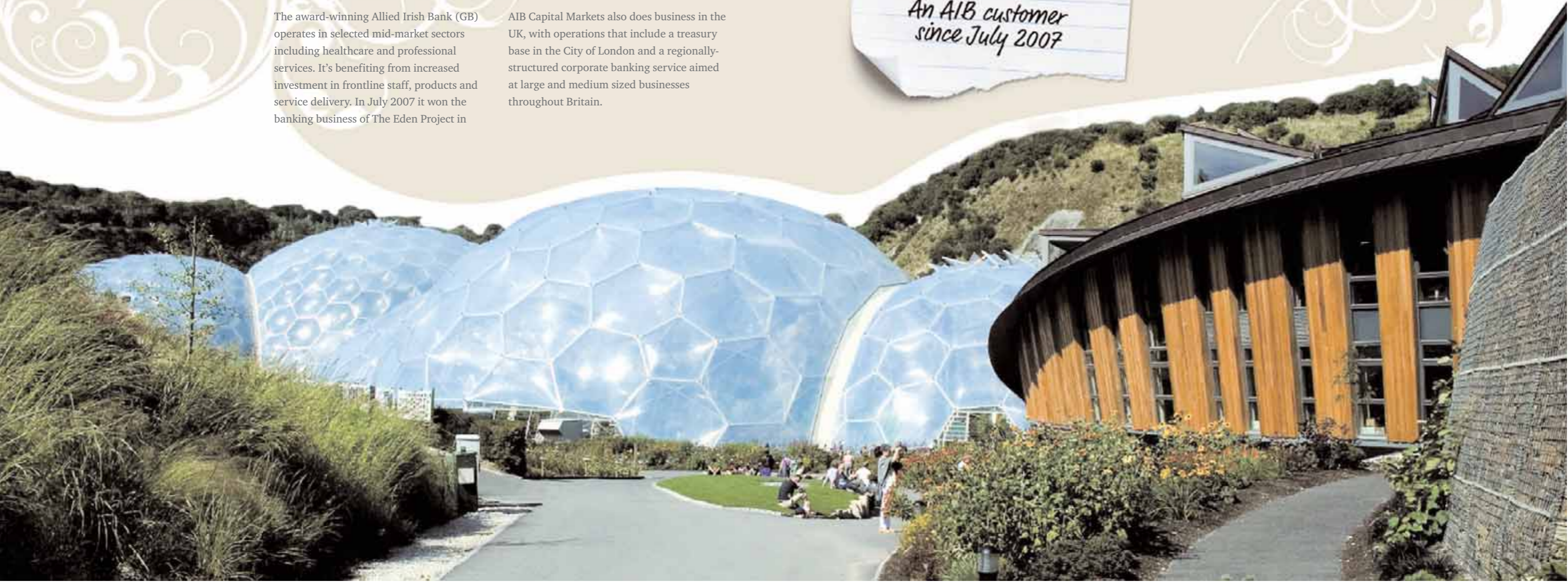
This division comprises Allied Irish Bank (GB), a business bank with 38 locations across England, Wales and Scotland and First Trust Bank with 52 branches in Northern Ireland.

The award-winning Allied Irish Bank (GB) operates in selected mid-market sectors including healthcare and professional services. It's benefiting from increased investment in frontline staff, products and service delivery. In July 2007 it won the banking business of The Eden Project in

Cornwall. The acclaimed eco initiative, which has attracted more than eight million visitors since 2001, includes the world's largest greenhouses.

In 2007, an enhanced product suite and successful marketing initiatives helped a newly reconfigured First Trust Bank boost its profit in Northern Ireland.

AIB Capital Markets also does business in the UK, with operations that include a treasury base in the City of London and a regionally-structured corporate banking service aimed at large and medium sized businesses throughout Britain.

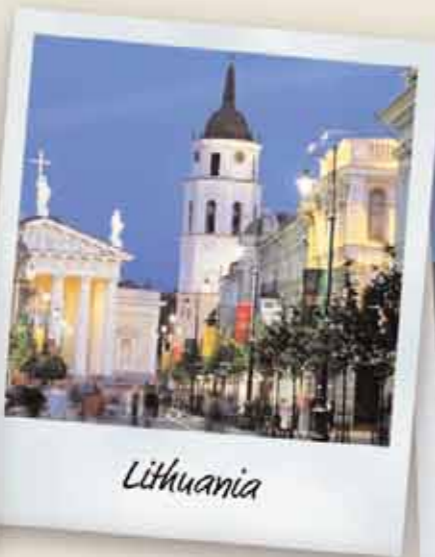


Here, there and everywhere

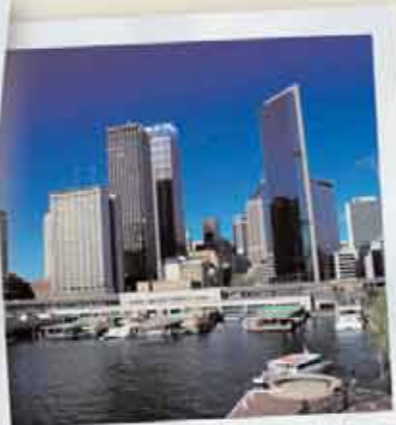
AIB continues to expand its operations around the world. AIB Capital Markets now has a significant international presence, especially in North America. AIB is also extending its reach into high growth emerging markets.



France



Lithuania



Australia

AIB's Corporate Banking franchise in the US, with teams in New York, Los Angeles and Houston continued to grow in 2007.

In May, a new corporate banking operation was established in Canada. One of the team's first deals was participation in the CAD \$420 million co-financing of the flagship Bay Adelaide Centre office development. This 51-story building, currently under construction, (shown on the far right of this computer generated image) is the first new development in Toronto's financial district in more than a decade.

Capital Markets also has treasury operations in New York and offices in Sydney, Frankfurt, Paris, Budapest, Zurich and Luxembourg.

AIB has a 24.3% stakeholding in the regional US bank, M&T. The bank's contribution to AIB in 2007 was affected by factors including its exposure to the sub-prime loan market, but its underlying performance continues to be good.

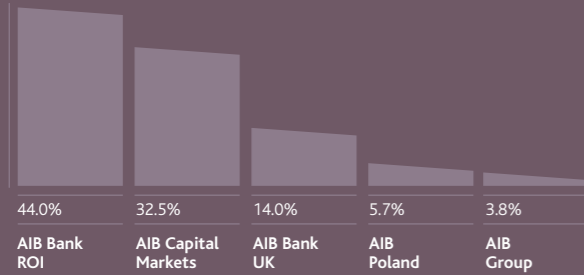
AIB has a strategy of acquiring and investing in businesses in high growth markets who operate in sectors where AIB has core expertise. In 2007, AIB Group announced that it was to acquire the AmCredit mortgage finance business in Latvia, Lithuania and Estonia.

In February 2008, AIB entered into an agreement to buy a 49.99% stake in the Bulgarian-American Credit Bank - a specialist provider of secured finance to small and medium sized companies across Bulgaria.

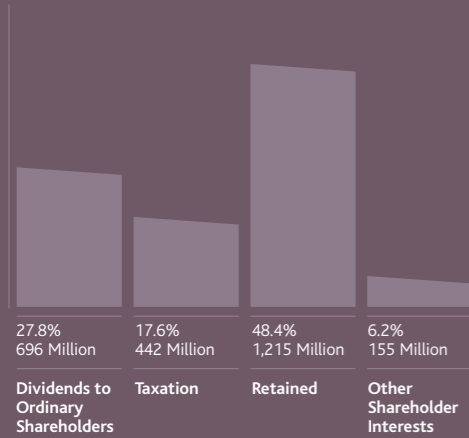


AIB at a glance

> Assets by division

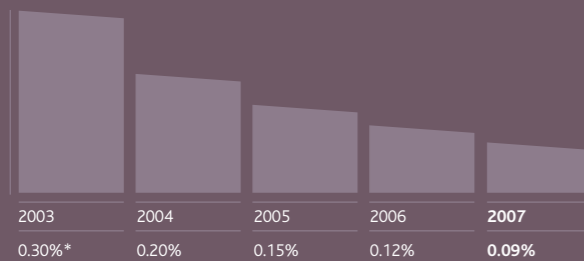


> How the profit was used €



> Money set aside for impaired loans

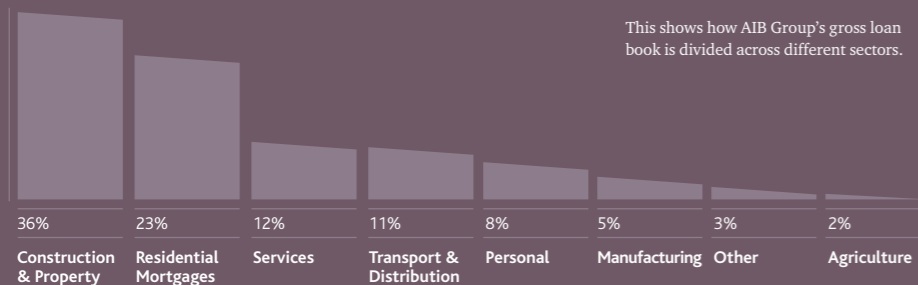
2007 0.09%



Provisions as a percentage of average loans are the amounts we set aside from our profit to allow for customers who can not, or might not be able to repay the money they owe us.

*Continuing activity

> How we spread our risk



This shows how AIB Group's gross loan book is divided across different sectors.



Meeting the challenges

2007 was another successful year for the AIB Group. Our adjusted basic earnings per share at EUR 205.9c represented a 13% increase on 2006 levels.

All AIB divisions saw their operating profit grow in 2007 which was especially encouraging as market conditions for the banking and financial services sector have become difficult in recent months.

AIB continues to offer high quality products and services with the focus on recurring and sustainable income streams.

We are making further gains in efficiency with our investment in operating systems and technology and we continue to invest for growth. We also enjoy good control over our costs and the flexibility to align costs with income.

In the current operating environment, our bad debt provisions will rise from the very low levels of 2007. Our lending policies and practices remain prudent.

AIB is a diverse, efficient and resilient company. We are targeting low single digit growth in earnings per share in 2008.

Eugene Sheehy
Group Chief Executive



How saving paper helps to save the rainforest

AIB in Ireland is helping customers protect endangered land through a pioneering environmental project. It's just one part of AIB's corporate social responsibility initiatives.

In 2007, AIB launched a series of projects under the Add more green banner. One of them encouraged customers to switch from paper statements to electronic versions which can be accessed online.

Customers who make the change save paper and postage for AIB. To recognise this, AIB has promised to give €5 to the World Land Trust to purchase rainforest land in Brazil and Paraguay for each customer who makes the change. So far 80,000 customers have signed up for eStatements with AIB guaranteeing a fund of €500,000.

International conservation charity the World Land Trust is working to preserve the earth's most biologically important and threatened lands. Its patron is leading conservationist Sir David Attenborough. AIB is involved in two projects. The purchase of land in north west Paraguay to create an 8,000 hectare nature reserve which will protect a fragile and unique area known as the dry chaco habitat.

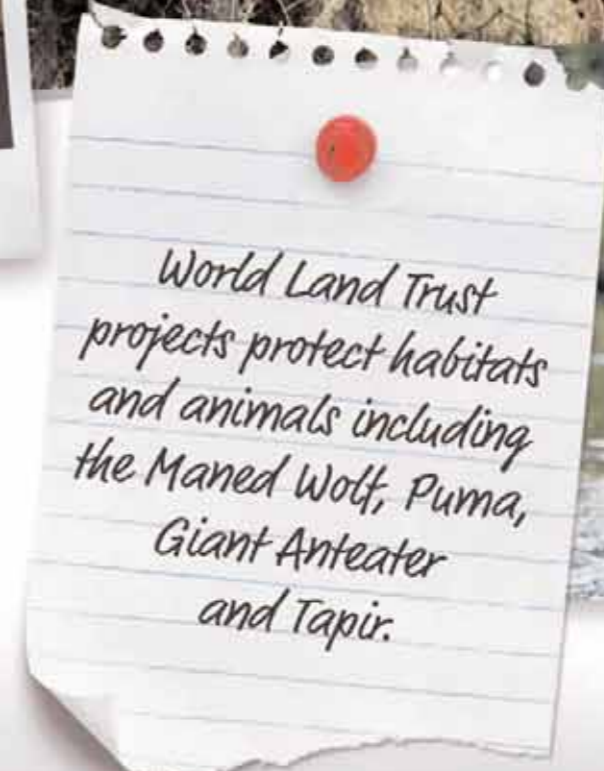
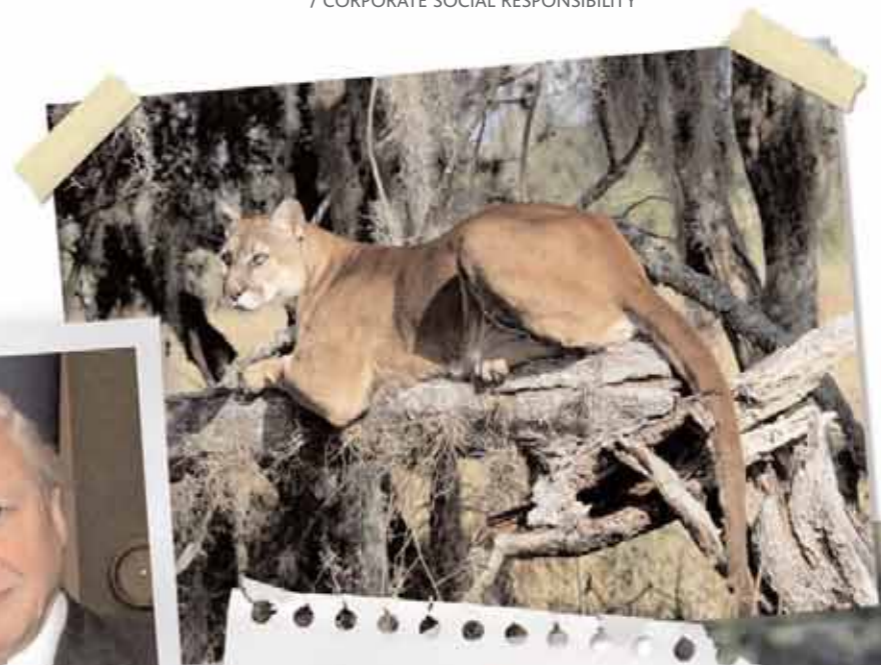
The second project involves the purchase of rainforest in Eastern Brazil to extend the Reserva Ecologica de Guapi Assu nature reserve. AIB also plans to support another environmental project in Ireland in conjunction with Coillte in 2008.

The Add more green initiative also includes cashback awards to customers to purchase new flexible fuel or hybrid cars plus special loans/mortgages to install approved renewable home energy systems. AIB continues to look for ways to promote good environmental practice across its network. This includes moves to energy efficient virtual computer servers, more recycling of office paper and new print management systems that cut waste.

For more information, see www.aibgroup.com/csr. This new Corporate Social Responsibility website also covers AIB's other activities including charitable and community initiatives.



Sir David Attenborough



The AIB Board



> **Dermot Gleeson** BA, LL.M
Chairman



> **Eugene Sheehy*** MSc
Group Chief Executive



> **Adrian Burke** B Comm, FCA



> **Kieran Crowley** BA, FCA



> **Colm Doherty*** B Comm



> **Donal Forde*** MSc



> **Stephen Kingon** CBE BA, DBA, FCA, FCIM



> **Anne Maher** FIIPM, BCL



> **Dan O'Connor** B Comm, FCA
Audit Committee Chairman



> **John O'Donnell*** FCMA, FCCA
Group Finance Director



> **Sean O'Driscoll** B Comm, FCA
Remuneration Committee Chairman



> **Jim O'Leary** MA, MSI



> **David Pritchard** BSC (Eng)
Chairman, AIB Group (UK) p.l.c



> **Bernard Somers** B Comm, FCA



> **Michael J Sullivan** JD
Senior Independent Non-Executive Director



> **Robert G Wilmers**



> **Jennifer Winter** B Sc
Corporate Social Responsibility Committee Chairman

> **Dermot Gleeson** BA, LL.M
Chairman

Barrister, and member of the Adjunct Law Faculty of University College Dublin. Chairman of University College Cork's Governing Body and a member of that University's President's Consultative Board. He has held the following positions and offices in the recent past: member of the Royal Irish Academy, Chairman of the Irish Council for Bioethics, Director of the Gate Theatre, Attorney General of Ireland, member of the Council of State, and Chairman of the Review Body on Higher Remuneration in the Public Sector. Joined the Board in 2000, and appointed Chairman in 2003. (Age 59)

> **Eugene Sheehy*** MSc
Group Chief Executive

Joined AIB in 1971. Appointed General Manager, Retail Operations in 1999, and Managing Director, AIB Bank, Republic of Ireland in 2001. Appointed Chief Executive Officer of AIB's USA Division and Executive Chairman of Allfirst Financial Inc. in 2002. Appointed Chairman and CEO, Mid Atlantic Division, M&T Bank, and a member of the Executive Management Committee and Board of M&T Bank Corporation ("M&T") in April 2003, following the acquisition by AIB of a strategic stake in M&T. Appointed AIB Group Chief Executive-Designate in March 2005, co-opted to the Board on 12 May 2005, and assumed responsibility as Group Chief Executive with effect from 1 July 2005. Fellow and past President of the Institute of Bankers in Ireland. (Age 53)

> **Adrian Burke** B Comm, FCA

Chairman of Coyle Hamilton Willis Limited and Director of Dairygold Co-Operative Society Limited. Vice Chairperson of the Institute of European Affairs. Former president of the Institute of Chartered Accountants in Ireland, former Managing Partner of Arthur Andersen in Ireland, and former Chairman of the Joint Ethics Board of the Institutes of Chartered Accountants in Ireland, Scotland, and England and Wales. Joined the Board in 1997. Retires from the Board at the Annual General Meeting on 22 April 2008. (Age 66)

> **Kieran Crowley** BA, FCA

Consultant. Founder of Crowley Services Dublin Ltd., which operates the Dyno-Rod franchise in Ireland. Director of AIB Group (UK) p.l.c., and former Director of BZWBK, AIB's Polish subsidiary. A member of the Government appointed Advisory Forum on Financial Legislation. Former Chairman of the Small Firms Association and member of the Irish Business and Employers' Confederation (IBEC) National Executive Council. Joined the Board in 2004. (Age 56)

> **Colm Doherty*** B Comm

Managing Director, AIB Capital Markets plc. Director of M&T Bank Corporation and Director of Commerzbank Europe. Joined AIB International Financial Services in 1988, and became its Managing Director in 1991. Appointed Head of Investment Banking in 1994, and assumed his present position in 1999. Member of the International Financial Services Centre Clearing House Group. Joined the Board in 2003. (Age 49)

> **Donal Forde*** MSc

Managing Director, AIB Bank, Republic of Ireland. Joined AIB in 1978. Appointed Head of Treasury Services in 1998 and General Manager, Strategic Development Unit, AIB Bank in 1999; assumed his current position in 2002. Director of Hibernian Group PLC. Fellow and past President of the Institute of Bankers in Ireland and past President of the Irish Banking Federation. Joined the Board in January 2007. (Age 67)

> **Stephen Kingon** CBE BA, DBA, FCA, FCIM

Chairman of Invest Northern Ireland and of the Northern Ireland Centre for Competitiveness. Member of the Economic Development Forum, and co-chair of the North/South Roundtable Group. Director of AIB Group (UK) p.l.c., Mivan (UK) Limited and Anderson Spratt Group (Holdings) Limited. Former Managing Partner of PricewaterhouseCoopers in Northern Ireland. Former President of the Northern Ireland Chamber of Commerce and Industry, and past-Chairman of Business in the Community in Northern Ireland, the Ulster Society of Chartered Accountants, and the Institute of Management Consultancy in Northern Ireland. Joined the Board in September 2007. (Age 60)

> **Anne Maher** FIIPM, BCL

Chairman of the Medical Council's Performance Committee. Member of the Professional Oversight Board (UK), (an operating body of the UK Financial Reporting Council); the FTSE Policy Group; the Actuarial Stakeholder Interests Working Group (UK); and a Governor of the Pensions Policy Institute (UK). Board member of the Retirement Planning Council of Ireland. She has held the following positions and offices in the recent past: Chief Executive of The Pensions Board for Ireland, Chairman of the Irish Association of Pension Funds, and Board Member of the Irish Accounting and Auditing Supervisory Authority. Joined the Board in January 2007. (Age 62)

> **Dan O'Connor** B Comm, FCA
Audit Committee Chairman

Director of CRH plc, former President and Chief Executive Officer, GE Consumer Finance Europe, and former Senior Vice-President of General Electric Company. Joined the Board in January 2007. (Age 48)

> **John O'Donnell*** FCMA, FCCA
Group Finance Director

Joined AIB in 1989 as Associate Director, AIB International Financial Services, becoming Managing Director in 1995. Appointed Managing Director, AIB Corporate Finance in 1996, Head of Investment Banking, AIB Capital Markets in 2001, and Group Finance Director-Designate in July 2005. Joined the Board in 2006. (Age 53)

> **Sean O'Driscoll** B Comm, FCA
Remuneration Committee Chairman

Group Chief Executive, Glen Dimplex. Member of the University College Cork President's Consultative Board. Appointed by the Irish Government to the high-level group overseeing Ireland's Asia strategy. Awarded an Honorary OBE for his contribution to British industry. Joined the Board in 2006. (Age 50)

> **Jim O'Leary** MA, MSI

Senior Fellow of the Department of Economics at the National University of Ireland, Maynooth. Former Chief Economist at Davy Stockbrokers, and former Director of Aer Lingus, the National Statistics Board and Gresham Hotel Group. Director of BZWBK, AIB's Polish subsidiary. Joined the Board in 2001. Retires from the Board at the Annual General Meeting on 22 April 2008. (Age 51)

> **David Pritchard** BSC (Eng)
Chairman, AIB Group (UK) p.l.c

Former Group Treasurer, Executive Director, and Non-Executive Deputy Chairman of Lloyds TSB Group plc; spent two years as seconded at the Financial Services Authority while employed at Lloyds TSB. Former Managing Director Citicorp Investment Bank, London, and former General Manager Royal Bank of Canada Group. Non-Executive Chairman of Songbird Estates plc, Non-Executive Director of The Motability Tenth Anniversary Trust, and former Non-Executive Director of LCH Clearenet Group. Joined the Board in June 2007. (Age 63)

> **Bernard Somers** B Comm, FCA

Director of DCC plc, Independent News & Media plc, and Irish Continental Group plc. Former director of the Central Bank of Ireland. Principal of Somers & Associates, corporate restructuring consultants. Joined the Board in 2006. (Age 58)

> **Michael J Sullivan** JD
Senior Independent Non-Executive Director

Served as US Ambassador to Ireland from January 1999 to June 2001 and as Governor of the State of Wyoming, USA, between 1987 and 1995. Director of Kerry Group plc, Sletten Construction Inc., Cimarex Energy, Inc., First Interstate BancSystem, Inc., and a Trustee of the Catholic Diocese of Wyoming. Member of the Bar, State of Wyoming, and Partner, Rothgerber, Johnson & Lyons, LLC. Joined the Board in 2001. (Age 68)

> **Robert G Wilmers**

Chairman and Chief Executive Officer of M&T Bank Corporation ("M&T"), Buffalo, New York State. Director of The Business Council of New York State, Inc. Served as Chairman of the New York State Bankers' Association in 2002, and as a Director of the Federal Reserve Bank of New York from 1993 to 1998. Joined the Board in 2003, as the designee of M&T, on the acquisition by AIB of a strategic stake in M&T. (Age 73)

> **Jennifer Winter** B Sc
Corporate Social Responsibility Committee Chairman

Vice-President, Corporate Reputation and Government Affairs, AstraZeneca plc. Former positions and offices held include Chief Executive, the Barretstown Gang Camp Limited, Director of Project Management Holdings Ltd., and Managing Director of SmithKline Beecham, Ireland. Joined the Board in 2004. (Age 48)

Board Committee

Information concerning membership of the Board's Audit, Corporate Social Responsibility, Nomination & Corporate Governance, and Remuneration Committees is given in the Corporate Governance statement on pages 54 to 60.

*Executive Directors



High quality, well spread growth... co
in challenging markets... diversity in
market sectors... focus on sustainable



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This is AIB's summary review. It was sent with the AIB Report and Accounts document to AIB shareholders in March 2008. Both documents are available on the AIB website at www.aibgroup.com/investorrelations. This site and www.aibgroup.com/pressoffice is regularly updated with news and information about the AIB Group.



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