



How we did in 2000





Tom Mulcahy

Group Chief Executive





Group overview

- Cash EPS⁽¹⁾ 104c up 15%
- Profit before tax⁽²⁾ €1,251m, up 10.5%
- Return on equity⁽²⁾ 21.6%
- Dividend up 15%

⁽¹⁾ before goodwill amortisation / exceptional item

⁽²⁾ before exceptional item



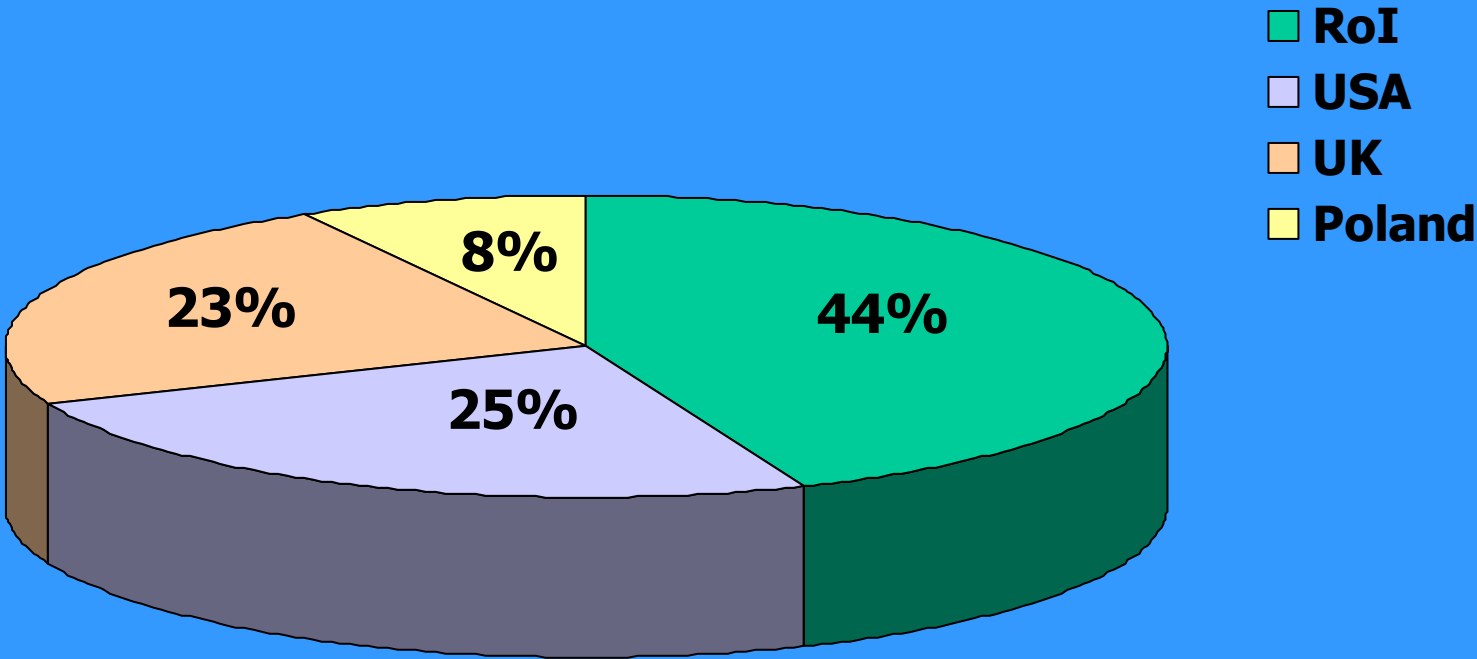
Group overview

- Customer driven earnings at highest level
 - Operating profit⁽²⁾ up 14%
 - Other income / total income now 40%
 - Margins stabilising in Ireland
 - Allfirst increasing deposit market share

⁽²⁾ before exceptional item



Where AIB made its profit



AIB Bank



- Profit up 19%

Ireland

- Power of the AIB brand
 - Demographics and product fit driving demand
 - Intense focus - operating efficiency
 - sales penetration

AIB Bank



Britain / Northern Ireland

- Branch deposit growth in Britain +23%
- Other income up 19% in NI
 - Cost / income ratios improved
 - Well regarded business brand in Britain

Capital Markets



- Underlying profit up > 20%
 - Leading equity fundraiser for technology sector
 - Significant growth in other income up >25%*

* *underlying*

Capital Markets



- Customer driven revenues predominate
 - Growth in custodial business, now €114bn
 - Developing capability in fund management for corporate debt / bonds



USA Division

- Profit up 10%
 - Strong growth in other income (up 29%)
 - Good cost control
 - Asset quality remains sound



USA Division

- Committed to the USA market
 - Optimising Allfirst franchise
 - “Not for Profit” business remains exciting



Poland Division

- Profit up 40%
 - Buoyant non-interest income
 - Outlets +44 / ATMs +73
 - BZ NPL workout in progress



Poland Division

- BZWBK - June 2001
 - 5th largest bank
- Investment continues:
 - change management
 - integration process
 - branch expansion
- Estimated savings - 18% by 2003

eBusiness

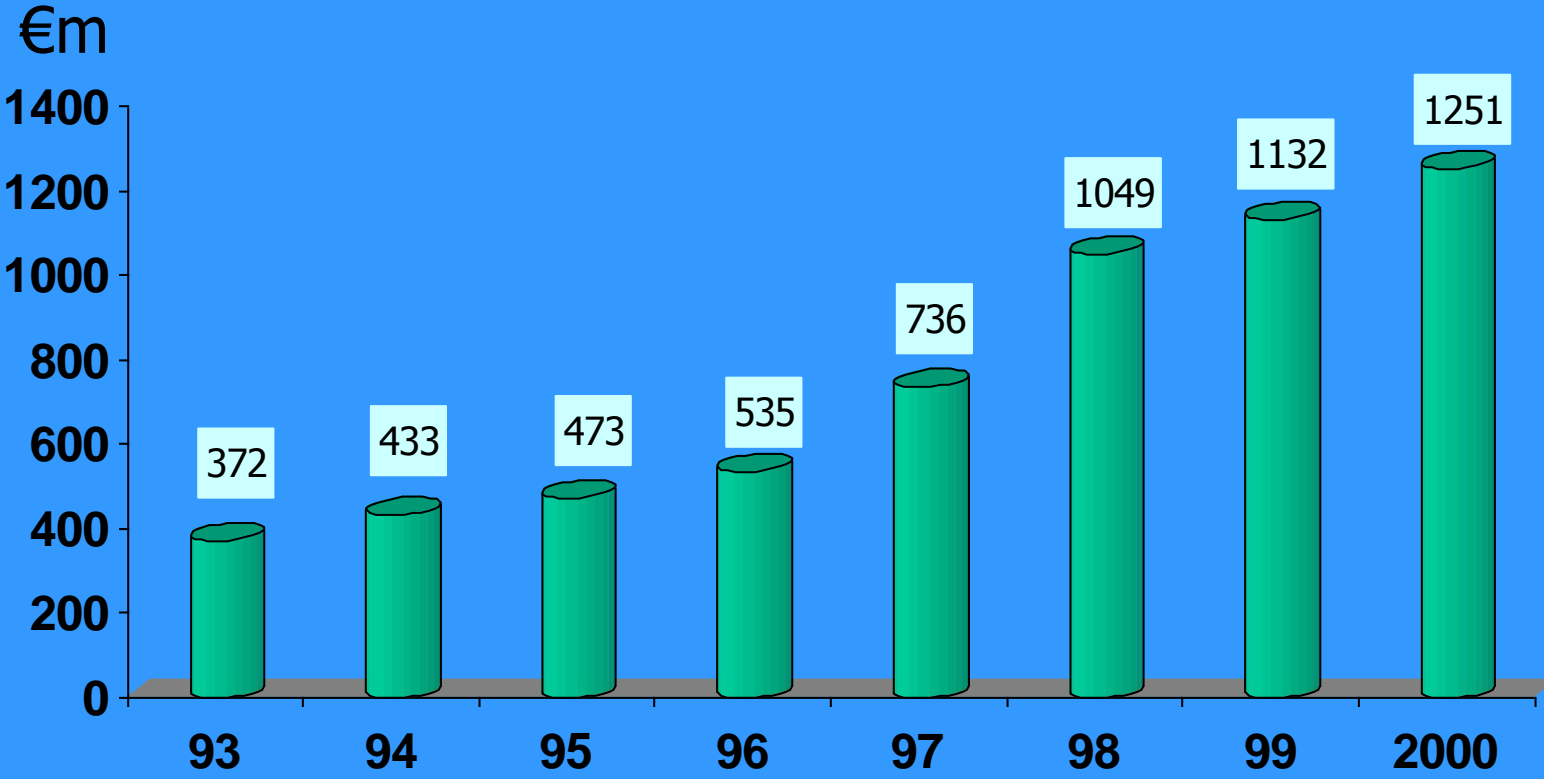


- Integrated multi-channel distribution is working
 - Online customers - retail 220,000
 - business 18,000
 - Containing costs and increasing share of wallet
 - eEnablement for internal efficiency



Sustained performance

Profit before taxation



Sustained performance 1994 - 2000



ROE

22.2%

EPS Growth

17.3%

Dividend Growth

17.7%

AIB today



- Sensible portfolio diversification
 - Strong retail / commercial customer ethos
 - Established corporate / management / employee values
 - Robust asset quality

“well positioned for the future”



Gary Kennedy

Group Financial Director



Performance by division



1999	€m	2000	Change %
587	AIB Bank	696	19
307	USA	337	10
151	Capital Markets	156	3
63	Poland	88	40
24	Group	(26)	
<u>1,132</u>	Group profit before tax	<u>1,251</u> *	10.5

* *excl. exceptional item*

Profit and loss account



<u>1999</u>	€m	2000	Change %*
2,822	Total operating income	3,326	18
1,618	Total operating expenses	1,949	20
<u> </u>	Group operating profit	<u> </u>	
1,204	before provisions	1,377	14
92	Total provisions	134	46
<u>1,112</u>	Group operating profit	<u>1,243</u>	12
<u>1,132</u>	Group profit before tax	<u>1,251</u>	10.5

* *excl. exceptional item*

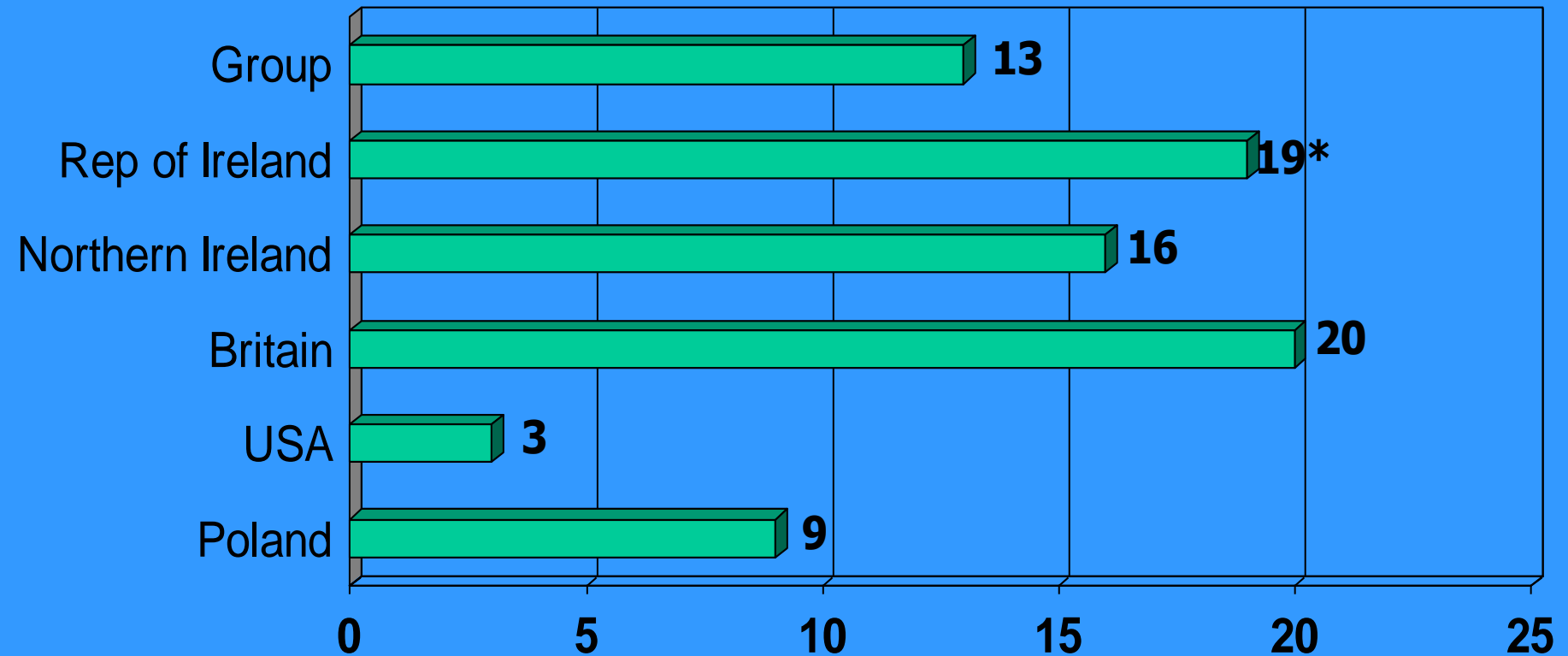
Operating income



<u>1999</u>	€m	2000	Change %*
1,770	Net interest income	2,022	14
<u>1,052</u>	Other income	<u>1,304</u>	24
<u><u>2,822</u></u>	Total operating income	<u><u>3,326</u></u>	18
37.3%	<i>Other income ratio</i>	39.2%	

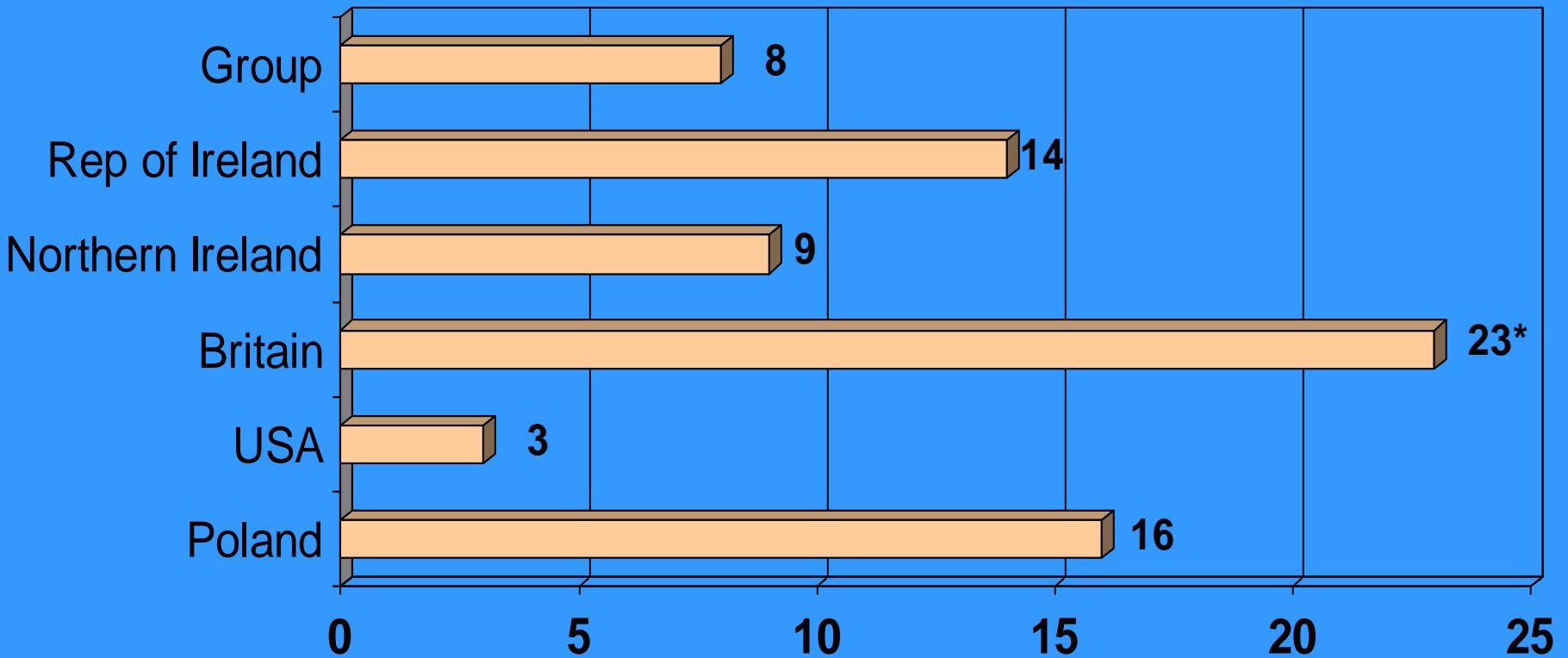
* *excl. exceptional item*

Loan growth



* 21% incl. securitisation

Deposit growth



** branch customer accounts*

Net interest margin



H1 2000	H2 2000		%	1999
3.10	2.94	Group	3.27	3.02
2.73	2.76	Domestic	2.97	2.75
3.40	3.08	Foreign	3.54	3.23

Operating expenses



<u>1999</u>	€m	<u>2000</u>	Underlying * Change %
970	Staff costs	1,144	6
521	Other costs	634	9
127	Depreciation & amortisation	171	9
<u>1,618</u>	Operating expenses	<u>1,949</u>	7
57.3%	<i>Cost / income ratio</i>	58.6%	

* excl. Bank Zachodni / impact of currency movements

Provisions for bad debts



1999 €m	Average Loans %		2000 €m	Average Loans %
45	0.26	AIB Bank	56	0.26
31	0.29	USA	34	0.27
18	0.32	Capital Markets	17	0.23
6	0.38	Poland	26	0.90
<u>100</u>	0.28		<u>133</u>	0.30
-15		LDC provisions	-	
<u><u>85</u></u>	0.24	Total	<u><u>133</u></u>	0.30

Asset quality



%	2000	1999
NPLs / loans	1.9	1.9
Bad debts charge / average loans *	0.30	0.28
Provisions / NPLs	100	102

- NPLs / loans ratio at 1% (excl. Bank Zachodni)
- Provisions / NPLs at 135% (excl. Bank Zachodni)

* *excl LDC releases*

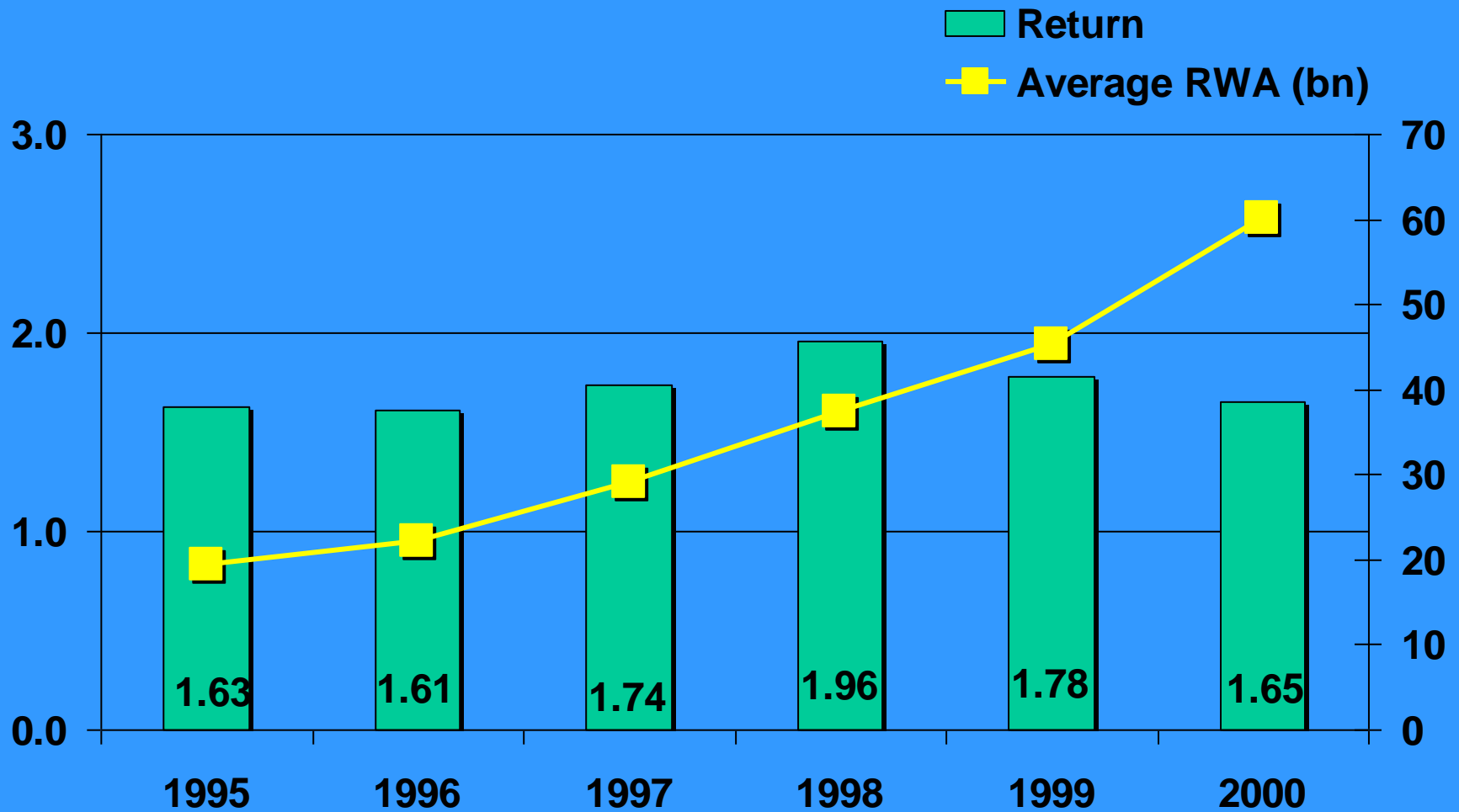
Balance sheet / capital ratios



1999	€m	2000	Constant Currency Change %
	Assets:		
39,171	Loans to customers	45,880	13
42,335	Customer accounts	48,437	8
67,070	Total assets	79,688	15

%	Capital Ratios:	%
6.4	Tier 1	6.3
11.3	Total	10.8

Return on risk weighted assets



Well positioned for the future



- Richness of earnings streams
 - customer driven
 - fee driven
- Balance between efficiency / investing for the future
 - RAROC
- Maximise portfolio earnings potential
 - USA and Poland

Additional information



AIB Bank profit statement



1999	€m	2000	Change %
932	Net interest income	1,056	13
422	Other income	508	20
<u>1,354</u>	Total income	<u>1,564</u>	16
724	Operating costs	816	13
<u>630</u>	Operating surplus	<u>748</u>	19
45	Provisions	56	25
<u>585</u>	Operating profit	<u>692</u>	18
<u>2</u>	Profit on disposal	<u>4</u>	
<u><u>587</u></u>	Profit before tax	<u><u>696</u></u>	19

AIB Bank



- ARK Life +48%
- APEs +25%

- Cost / income ratio

<u>99</u>		<u>00</u>
52	Rep of Ireland	52
54	N.Ireland	51
57	Britain	52
53	AIB Bank	52

- Home mortgages +26%, LTV <57% on 2000 new business

Capital Markets profit statement

1999	€m	2000	Change %
141	Net interest income	127	(10)
<u>272</u>	Other income *	<u>307</u>	13
413	Total income	434	5
<u>239</u>	Operating costs	<u>260</u>	9
174	Operating surplus	174	-
<u>23</u>	Provisions	<u>18</u>	(20)
<u><u>151</u></u>	Operating profit	<u><u>156</u></u>	3

* incl. associates

Capital Markets



- Corporate banking
 - loan growth +25%
 - presence established in New York
- Investment banking
 - Assets under management €17bn
- Treasury & International
 - Lower profit from proprietary trading
 - Strong growth in customer treasury services



USA Division profit statement

1999	€m	2000	Change %
506	Net interest income	537	6
<u>297</u>	Other income *	<u>381</u>	28
803	Total income	918	15
<u>463</u>	Operating costs	<u>543</u>	17
340	Operating surplus	375	11
<u>33</u>	Provisions	<u>38</u>	18
<u><u>307</u></u>	Operating profit	<u><u>337</u></u>	10

* incl. associates

USA Division



Allfirst

- Net income \$184.4m
 - up 7% (US GAAP)
 - down 2% (Irish GAAP)
- Loan growth +2.5% (excl. residential mortgages / foreign)
 - commercial +8%; retail -3%
- Electronic banking income +16% / corporate deposit fees +12%
- Assets under management €23bn

AIB USA

- Loans +20%, other income +24%

Poland Division profit statement



<u>1999</u>	€m	2000	Change %
139	Net interest income	252	81
<u>87</u>	Other income	<u>153</u>	75
226	Total income	405	79
<u>154</u>	Operating costs	<u>295</u>	91
72	Operating surplus	110	52
<u>9</u>	Provisions	<u>23</u>	146
63	Operating profit	87	38
-	Property disposal	1	
<u>63</u>	Profit before tax	<u>88</u>	40



Poland Division

- WBK +31% (excl. equity gains in '99)

- | | <u>WBK</u> | <u>BZ</u> |
|----------------|------------|-----------|
| Loan growth | +16% | +1% |
| Deposit growth | +21% | +10% |

- Combined network

	ATMs	Outlets
BZ	283	208
WBK	204	197
	487	405

Non-performing loans by division

As at December 31, 1999			As at December 31, 2000				
NPLs	NPLs/ Actual Advances	Total Provisions/ NPLs			NPLs	NPLs/ Actual Advances	Total Provisions/ NPLs
€m	%	%			€m	%	%
234	1.2	112	AIB Bank		232	1.0	125
53			USA	- €m	87		
53	0.4	319		- US\$m	81	0.7	205
30	0.5	248	Capital Markets		29	0.4	262
436			Poland	- €m	523		
1,814	17.4	60		- Pln m	2,014	18.0	62
<u>753</u>	1.9	102	Total		<u>871</u>	1.9	100
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Risk weighted assets



<u>1999</u>	€m	2000	Change %
17,919	AIB Bank	21,133	18
16,898	USA	20,318	20
11,375	Capital Markets	14,837	30
2,838	Poland	3,655	29
245	Group	279	14
<u>49,275</u>		<u>60,222</u>	22



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