



AIB Group reports 1998 Profit

17th February 1999

Basic earnings per share - up 23%

Adjusted\* earnings per share - up 33%

Second interim dividend up 28%

Adjusted\* return on equity of 27%

AIB Bank profit up 39%

Cost income ratio down to 55%

AIB Group Chief Executive Tom Mulcahy said:

‘These results reflect AIB’s commitment to shareholder value, service to our customers and our focus on efficiency.

AIB is well positioned to support our customers and grow our business in all our markets as the millennium approaches.

I’m delighted for stakeholders that AIB is the first Irish company to report profit of more than €1 billion.’

\*pre deferred tax adjustment

Commenting on the results

AIB Group Chief Executive Tom Mulcahy said:

‘I am pleased to announce that AIB has reported profit of IR £826 million making AIB the first Irish company to report profit of over €1 billion. This is a significant increase of 42% on 1997.

‘Performance in the buoyant economy of the Republic of Ireland generated significant volume growth, with loans higher by 26% and deposits up 13%. Branch Banking, Ark Life, Corporate Banking and Credit Card achieved substantial profit growth. Other businesses to perform particularly well included AIB Finance and Leasing, Corporate and Commercial Treasury and Goodbody Stockbrokers.

‘Our business in Britain where we have a growing reputation and expertise in the SME sector had a strong performance and First Trust Bank in Northern Ireland achieved good profit growth.

‘First Maryland Bancorp in the USA has completed the integration of Dauphin and simultaneously installed a new technology platform. AIB under its own brand expanded its operations in the US and now serves its customer base from offices in New York, Philadelphia and Los Angeles.

‘In Poland, WBK continued its investment in the expansion of its branch network, focused on customer service and developed new business lines.

‘There were other challenges, too. Ireland has successfully moved into the eurozone and AIB has facilitated this transition. We now provide a full range of euro products and services to our customers and are positioned to benefit from the opportunities the euro environment will bring.

‘We believe that our commitment to shareholder value is shown by the strong Return on Assets (adjusted) of 1.39%, Return on Equity (adjusted) of 27.3% and the 25% increase in the total dividend. The substantial volume growth and increase in productivity across the Group has resulted in a reduction in the cost income ratio to 55%.

‘I am confident that our comprehensive Year 2000 programme will ensure that we have taken all appropriate steps within our control to address the Year 2000 date change issue. We are well positioned in all our markets to continue to grow our business and to successfully support our customers needs for the advent of the new millennium.’

Allied Irish Banks, p.l.c.

Allied Irish Banks, p.l.c. (AIB Group) today announced its results for the year ended 31 December 1998.

Group profit before taxation amounted to IR £826 million (€1,049 million) compared with IR £580 million (€736 million) for the year ended 31 December 1997, an increase of 42%.

Profit attributable to ordinary shareholders increased by 36% to IR £498 million (€633 million). Basic earnings per share for the year amounted to IR 58.8p (EUR 74.7c) an increase of 23%. The basic earnings per share includes a deferred tax charge of IR £43 million (€55 million) reflecting the impact on deferred tax of the proposed reduction in Irish corporation tax rates to 12.5% by 2003. Excluding this charge, adjusted earnings per share was IR 63.9p (EUR 81.1c) up 33% on 1997.

#### Dividend

The Board has declared a second interim dividend payable on 31 March 1999 of IR 14.00p (EUR 17.78c) per share (tax credit of 10/90 equal to IR 1.56p (EUR 1.98c) per share), to shareholders on the company’s register of members at the close of business on 26 February

1999. The total net dividend amounts to IR 22.10p (EUR 28.06c) per share (tax credit IR 2.46p (EUR 3.12c)) an increase of 25% on 1997.

#### Annual General Meeting

The annual general meeting of Allied Irish Banks, p.l.c. will be held at the Rochestown Park Hotel, Rochestown Road, Cork, Ireland, at 12 noon on Wednesday 21 April 1999.

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This results announcement and a detailed informative presentation can be viewed on our internet site at [www.aib.ie/investorrelations/home/](http://www.aib.ie/investorrelations/home/)