



**Allied Irish Banks, p.l.c. Preliminary Announcement of 2003 Results
24th February 2004**

Highlights - AIB Group Annual Results 2003

'Earnings in line with expectations'

AIB Group Chief Executive Michael Buckley said: '2003 was a year of record business volumes, transition in the USA and restructuring initiatives. Underlying earnings per share increased by 3%, or 7% adjusting for currency translation movements, in line with market expectations.

'Operating businesses performed very strongly, notably our Irish and British retail and commercial banking businesses which achieved record lending volumes with growth of 28% and 25% respectively. The merger of Allfirst and M&T took place on 1 April and the two banks have been successfully integrated.

'A sharp reduction in deposit margins reduced revenues in Poland, but significant cost savings were achieved from a further restructuring programme and asset quality improved. We recently announced an early retirement offer to a limited number of staff, largely in Ireland. Our Corporate Banking business performed strongly with significant volume growth in our British and North American corporate loans. Tangible ROE, having absorbed the loss on disposal of Govett and restructuring and early retirement costs, was 20%.

'Our confidence in future earnings prospects is shown by the Board's decision to recommend a total dividend increase of 10% on the 2002 level. Business performance so far in 2004 is strong with another buoyant year for business volumes expected. Though the net impact of translating foreign currency earnings will still be a negative factor, we expect to benefit from a significant turnaround in Polish profits and double-digit earnings growth in M&T.'

Divisional Profit Performance (1)

AIB Bank ROI up 14%

- Home mortgages up 34%, other loans up 25%

AIB Bank GB & NI up 15%

- Loans and deposits up 25% and 15% respectively

Capital Markets up 12%

Poland down 17%

Adjusted earnings per share: EUR 109.5c, down 11%

Underlying adjusted earnings per share (2): up 3%,

Adjusted for currency translation impact up 7%

Total dividend of EUR 54.0c, up 10%

1) Before restructuring and early retirement costs, the sale of Govett and the impact of exchange rate movements on the translation of foreign locations' profit.

2) See definition and comment on page 4.

Dividend

The Board is recommending a final dividend of EUR 35.0c per share payable on 30 April 2004 to shareholders on the Company's register of members at the close of business on 5 March 2004. The final dividend, together with the interim dividend of EUR 19.0c per share, amounts to a total dividend of EUR 54.0c per share, an increase of 10% on 2002.

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