



**AIB Private Banking launches Japanese property fund
2nd March 2007**

AIB Private Banking yesterday launched a new Japanese property fund, which offers Irish investors a unique opportunity to benefit from renewed growth in Japanese real estate.

The first of its kind in Ireland, the fund is open to corporate, personal and pension investors. The fund is seeking to raise a minimum of €40 million in new capital, which will be leveraged through borrowings of up to €160 million to create a fund of c.€200 million. Investments will be made across a range of Japanese property sectors. The investment period is expected to be 8 years.

Offered by AIB Private Banking in conjunction with a very experienced local partner, Alpha Investment Partners, a subsidiary of Keppel Corporation Ltd., the Fund is targeting an internal rate of return of 11% per annum.

The closing date for applications is 30th March 2007. Information memorandums are currently available through AIB Private Banking or at any AIB Branch.

Brian Nevin, Senior Manager, AIB Private Banking, said: *"The Japanese economy is going through a slow but steady recovery after many years of deflation, when property prices dropped by as much as 70%. The property market is responding to the improved economic situation and this is reflected in rental growth and declining office vacancy rates.*

"It is also a market that provides positive interest rate arbitrage opportunities, for example, property yields are around 5% and the five year cost of Yen financing is currently 1.35% so opportunities to generate attractive returns through gearing exist."

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