



30<sup>th</sup> July 2008

## AIB Half-Yearly Financial Report 2008

### Highlights - AIB Group interim results 2008

Basic earnings per share	EUR	114.0c	
less profit on disposal of business <sup>(1)</sup>	EUR	(12.0c)	
less profit on disposal/development of property <sup>(2)</sup>	EUR	(0.6c)	
adjust for hedge volatility <sup>(3)</sup>	EUR	3.5c	
<b>Adjusted basic earnings per share</b>	<b>EUR</b>	<b>104.9c</b>	<b>down 4%<sup>(4)</sup></b>

Divisional profit performance<sup>(5)</sup>

- AIB Bank ROI down 5%
- Capital Markets down 8%
- AIB Bank UK up 1%
- Poland up 4%
- M&T contribution down 11%

Income/cost gap +5%

Cost income ratio down 2.0% to 49.2%

Bad debt provision charge of 0.21%

Return on equity 21.9%

Tier 1 capital ratio 7.7%

Interim dividend of EUR 30.6c, up 10%

#### **AIB Group Chief Executive Eugene Sheehy said:**

*'The €1.28 billion profit before taxation reported by AIB for the first half of 2008 represents a well balanced operating performance across our domestic and international businesses. This performance was achieved despite the adverse effect of slowing economies and difficult market conditions. It reflects the commitment of our people, deep customer relationships across*

geographically diverse franchises and a resilient risk management framework. All of this enables us to continue to operate effectively in the current challenging environment'.

<sup>(1)</sup>Profit on disposal of 50.1% of AIB Card Acquiring (€106 million after taxation). Following this transaction, a merchant acquiring joint venture was formed with First Data Corporation.

<sup>(2)</sup>Construction contract income (€ 5 million after taxation).

<sup>(3)</sup>The impact of hedge volatility (hedging ineffectiveness and derivative volatility) was a decrease of € 35 million to profit before taxation for the half-year to June 2008 (€31 million after taxation).

<sup>(4)</sup>A 4% decrease compared with EUR 108.8c for the half-year to June 2007 (see note 15).

<sup>(5)</sup>The percentage changes are on an underlying basis excluding the impact of exchange rate movements on the translation of foreign locations' profit and excluding profit on disposal of AIB Card Acquiring.

### **Allied Irish Banks, p.l.c.**

#### **Dividend**

The Board has declared an interim dividend of EUR 30.6c per share, an increase of 10% on the half-year ended 30 June 2007. The dividend will be paid on 26 September 2008 to shareholders on the Company's register of members at the close of business on 8 August 2008.

#### **For further information please contact:**

John O'Donnell  
Group Finance Director  
Bankcentre  
Ballsbridge  
Dublin 4  
Tel: +353-1-6600311 Ext 14412

or

Alan Kelly  
General Manager, Group Finance  
AIB Group  
Bankcentre  
Ballsbridge  
Dublin 4  
Tel: +353-1-6600311 Ext 12162

or

Catherine Burke  
Head of Group Corporate Relations  
AIB Group  
Bankcentre  
Ballsbridge  
Dublin 4  
Tel: +353-1-6600311 Ext 13894

[To view the full media release click here](#)