




## First Quarter Results

29 April 2008

NATIONAL IRISH BANK, PART OF THE DANSKE BANK GROUP, HAS 635 EMPLOYEES, 64 BRANCHES AND 13 BUSINESS BANKING CENTRES.

DANSKE BANK GROUP IS THE LARGEST BANK IN DENMARK AND ONE OF EUROPE'S LEADING FINANCIAL INSTITUTIONS. DANSKE BANK GROUP CURRENTLY HAS RATINGS OF AA1 LONG TERM AND P-1 SHORT TERM MOODY'S; AA- LONG TERM AND A-1+ SHORT TERM STANDARD & POOR'S AND AA- LONG TERM F1+ SHORT TERM FITCH.

BASED ON DANSKE BANK'S POWERFUL TECHNOLOGY PLATFORM AND BUSINESS MODEL, NATIONAL IRISH BANK OFFERS LEADING PRODUCTS AND SERVICES FOR PERSONAL, BUSINESS AND CORPORATE CUSTOMERS.

FOR PERSONAL CUSTOMERS, THE LTV MORTGAGE REMAINS THE LEADING PRODUCT IN THE IRISH MARKET. THE BANK ALSO OFFERS STRONG CURRENT ACCOUNT PACKAGES WHICH INCLUDE MARKET LEADING E-BANKING AND SHARE TRADING PRODUCTS.

THE BANK OFFERS STRONG LENDING AND CURRENT ACCOUNT PRODUCTS TO BUSINESS AND CORPORATE CUSTOMERS, AS WELL AS MARKET-LEADING CASH MANAGEMENT, INTEREST RATE RISK MANAGEMENT, TRADE FINANCE AND FOREIGN EXCHANGE PRODUCTS.

## Financial Results 3 Months to 31 March 2008

Strong business growth continues despite challenging conditions

### Highlights:

- Lending book growth of 27% - almost twice the market rate
- Mortgage lending up 29% - almost three times the market rate
- Deposit growth of 14% - double the market rate
- Total income up 14% to €47 million
- Profit before tax doubles to €6m
- Continued improvement in Cost/Income Ratio
- €30m branch investment programme on track.

BANKING ACTIVITIES IRELAND (€ m)	Q1 2008	Q1 2007	Index 08/07
Net interest income	39	33	116
Non interest income	8	7	107
Total income	47	41	114
Costs	36	37	97
Profit before credit loss expenses	11	4	259
Credit loss expenses	5	1	-
Profit before tax	6	3	200
Loans and advances, end of period	9,608	7,581	127
Deposits, end of period	3,202	2,802	114
Allocated capital (avg.)	407	349	117
Profit before credit loss expenses as % p.a. of allocated capital	10.9	4.9	-
Cost/income ratio, %	76.1	89.5	-

In Q1 2008 Danske Bank Group introduced a new accounting principle and Q1 2007 figures have been restated in line with this for comparative purposes.

IN 2007 A MAJOR CHANGE PROGRAMME WHICH INCLUDED MIGRATION ONTO DANSKE BANK'S TECHNOLOGY PLATFORM WAS COMPLETED. THE PROGRAMME INVOLVED 2,500 PEOPLE ACROSS THE DANSKE GROUP, 85 PROJECTS AND AN INVESTMENT OF €150M.

NATIONAL IRISH BANK WON THE "FINANCIAL SERVICES ONLINE" AWARD AT THE INVESTOR MAGAZINE & MONEYMATE AWARDS 2008.

NATIONAL IRISH BANK'S LTV MORTGAGE WAS NAMED "BEST NEW PRODUCT LAUNCHED SINCE JANUARY 2006" AT THE INVESTOR MAGAZINE & MONEYMATE AWARDS 2007.

NATIONAL IRISH BANK WON THE "KPMG FINANCIAL SERVICES AWARD FOR EXCELLENCE IN INNOVATION" AT THE KPMG FINANCIAL SERVICES EXCELLENCE AWARDS 2007.

NATIONAL IRISH BANK, TOGETHER WITH NORTHERN BANK, WON THE "BUSINESS IT AWARD" AND THE "IT TRAINING AWARD" AT THE 2007 BT GOLDENEYE AWARDS.

NATIONAL IRISH BANK WAS NAMED 'BEST FINANCIAL INSTITUTION' IN THE INVESTOR MAGAZINE/MONEYMATE AWARDS 2006.

NATIONAL IRISH BANK'S TECHNOLOGY PROGRAMME WAS NAMED 'ICT PROJECT OF THE YEAR - PRIVATE SECTOR' AT THE ICT EXCELLENCE AWARDS 2006.

NATIONAL IRISH BANK WAS AWARDED THE 'INSPIRED IT TEAM OF THE YEAR AWARD' AT THE BT INSPIRED IT AWARDS 2006.

National Irish Bank has today reported continued strong performance for the three month period ended 31st March 2008. Total income increased by 14% to €47m, operating expenses were down 3% and profit before credit losses increased to €11m, compared to €4m for the equivalent period in 2007. Credit losses increased to €5m (from €1m) and reflected higher general provisions and the increase in the size of the loan book. Credit losses amounted to 0.20% of total loan book, and overall asset quality remains strong.

Total lending increased by 27% year on year, at almost twice the market rate. Mortgage lending was up 29% and business lending increased 26%, with new customers attracted to the Bank's market-leading products and technology.

The growth in net interest income, while strong, has been adversely affected by the ongoing instability in the international capital markets which has resulted in higher funding costs for the Bank. Net interest income would have been 10% higher, and total income 8% higher, compared to the same period last year were it not for these increased funding costs.

**Commenting on the results, Andrew Healy, CEO, National Irish Bank said:**

*"National Irish Bank continues to make strong progress and our ongoing investment programme is paying off - this can be seen from our mortgage, business lending and deposit growth figures which are well ahead of the market. Undoubtedly the economic slowdown and, in particular the continuing increase in the cost of funds, has resulted in tougher operating conditions. However, we have a very clear growth strategy and we're focused on building a powerful franchise which will compete aggressively in the long term."*

*"As part of Danske Bank Group, National Irish Bank is the highest-rated full service bank in Ireland. We believe that we're in an excellent position to take competitive advantage of the current environment. We have very good momentum in our business"* he said.

Customer deposits have increased by 14% year on year. Non-interest income increased by 7%.

From the beginning of May, National Irish Bank will introduce a new 4-Month Fixed Term Deposit Account which will pay a competitive 5% interest rate on balances up to €65,000. Coupled with the Bank's AA rating, this is one of the most attractive offers on the market.

The Bank recently launched its new offer for SMEs which it estimates will save Irish businesses at least €5,000 annually and, depending on the business size, the potential for substantial additional savings. This launch has led to strong levels of interest from Irish businesses at a time when they are facing increasing competitiveness challenges and are seeking to make cost savings.

*"From SMEs with just a few employees to large corporates - we have done business with more than a third of Ireland's top 100 companies over the last year - National Irish Bank has a lot to offer. We can help Irish businesses to save money at a time when cost management is so important,"* added Mr Healy.

National Irish Bank is in the midst of a €30m branch expansion and refurbishment programme. An additional ten new branches will be added by the end of 2009 and existing premises will be refurbished. Following a review of the existing branch network, the Bank recently announced plans to merge a small number of branches with neighbouring branches over the coming months.

Separate ongoing investment includes significant numbers of new jobs in wealth management as well as business and corporate banking. In addition Danica Life, Ireland's first start-up life and pensions business for some years, will commence operations later this year.

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