



## **AIB to restructure its branch network and extend banking arrangement with An Post**

**27th July 2012**

AIB has undertaken a review of its retail operations as part of the wider transformation and cost reduction programme currently underway in the bank.

The review identified that changes in population and customer banking usage as well as improvements in technology have led to a fall in demand for traditional branch services. As a result, AIB today announces the closure of 45 sub offices and the amalgamation of six branches from 12 October 2012. A further 16 branches will close during 2013.

AIB also announces the details of an enhanced agreement with An Post, which enables local Post Offices to provide additional banking services to customers impacted by today's announcement. In addition, AIB will also provide a mobile bank service across eight counties. These measures will ensure that customers can continue to access bank services locally.

### **An Post**

AIB banking services have been available in over 1,100 An Post outlets nationwide for the past ten years. From late October, these services will be expanded to allow AIB customers in affected areas to lodge cheques in designated Post Offices in the vicinity of closing branches. This is in addition to the current facility for lodging and withdrawing cash using AIB Debit/ATM cards and paying AIB Credit Card bills. These services will be available in Post Offices on the basis of six days a week.

### **AIB Mobile Banks**

AIB will also launch four mobile banks which will cover 31 rural locations across Donegal, Mayo, Galway, Clare, Tipperary, Limerick, Kerry and Cork. These include eight locations that currently do not have an AIB presence and will offer services such as cash, coin and cheque lodgements, cash withdrawals, bill payment and a foreign exchange order /collection service.

Increasingly, customers have been moving away from traditional methods of banking with a large increase in the use of phone and online banking. Nine out of ten transactions are now conducted away from branch counters; over 750,000 customers are now actively using AIB Phone & Internet Banking and AIB Mobile Banking of which 215,000 customers are using AIB Mobile Banking.

In this environment, it is not feasible to maintain such an extensive retail network of branches, particularly where customer usage has reduced significantly. Many of the sub offices being closed operate on reduced days and hours, and typically carry out on average 20% of the transaction volumes of other AIB branches.

Staff at locations due for closure will relocate to nearby AIB branches. After completing the branch closures, AIB will continue to have the largest distribution reach of any bank in the Republic of Ireland through the combination of its 200 branches, and the provision of banking services through An Post and the AIB Mobile Banks.

**Denis O'Callaghan, Head of AIB Branch Banking said:**

*"AIB is changing in response to customer needs. We have seen a very significant change in the way our customers wish to do their banking. As a result of this, many of our branches have seen a large decline in customer visits. Notwithstanding today's announcement, branches will remain an important part of AIB's overall distribution strategy and will be complemented by an enhanced online service. Customers in areas impacted by branch closures will be able to carry out their banking activities through new arrangements put in place in local post offices and through the provision of mobile banks in rural areas.*

*"All customer account numbers, cheque books, direct debits, standing orders, ATM/Debit Cards and any credit facilities will remain the same. Customers in each area will be provided with details of their new branch, local An Post services and AIB Mobile Bank routes, where relevant, in advance of the closures and staff will be available to discuss all aspects of the changes."*

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