



6th October 2016

Address by Robert Mulhall, AIB's Managing Director of Retail Corporate and Business Banking to the Dublin Chamber of Commerce Dinner

Good evening Ministers, President of Dublin Chamber of Commerce, Derry Gray, special guest, journalist John Simpson, Ambassadors, ladies and gentlemen,

My name is Robert Mulhall and I am AIB's Managing Director of Retail, Corporate & Business Banking. I took up that post this time last year after returning from a stint in the US where I led Accenture's Distribution & Marketing Consulting Practice for banking Industry in North America.

This is AIB's 15th year of association with this event and we are delighted to do so. This is the largest gathering annually of business leaders that have a vested interest in Dublin as a hub of commerce in Ireland.

Since this group met last year we have witnessed enormous changes in the external factors that influence each and every one of the businesses represented in this room. None more so, than the UK electorate's decision to exercise their right to leave the European Union through the Brexit referendum.

The immediate impacts are clear - short-term negative effects of a weakened Sterling, market volatility and deferment of investment decisions in some cases by businesses.

Medium to long term impacts are less clear. Protecting Ireland's medium to long-term prospects post Brexit will not happen without forethought and planning.

We are actively advising our customers to think strategically about their business in the context of Brexit. Businesses need to study their supply chain and understand the exposures that now exist in their operating model in order to ensure they are as well prepared as possible for whatever the outcome of the Brexit negotiations presents.

We see the potential for major sectoral shifts as a result of the UK leaving the EU. International Financial Services, Education, Food, Logistics to name but a few are sectors that must harness themselves to fend off the inherent threats to their businesses while capitalising on any potential opportunities.

At AIB, we are committed to supporting our customers through the short-term pressures that come on their business but also supporting the long-term strategic planning that many businesses will now undertake.

We are clear that our role is to support you, support jobs, and continue providing credit to businesses that make up the backbone of the Irish economy.

If I can turn now to specifically talk about Dublin and the economics of the business environment here; as I mentioned earlier this is our common interest that brings us all here.

Derry will speak to us later about the Chamber's view on a Vision for Dublin 2050. However, the backdrop is clear...

The population of Dublin city and county is set to grow to 1.6 million by 2030. Resulting in more than 600k more employees operating out of Dublin over the next 30 years. This is good news.

However, this level of population growth, not to mention capitalising on the opportunities that may present over the coming decade as a result of Brexit, present huge infrastructural challenges to the city and its environs.

None more so than in the area of Housing. Minister Coveney will no doubt address these issues later. At AIB we are extremely supportive of the comprehensive plan announced by the Minister. And are committed to working closely with the Minister's department to help play our part in solving the problem and to support the Government's Housing Strategy.

To this end, we have been to the fore-front of cutting mortgage interest rates. Having passed a full 1% cut in mortgage interest rates over an 18 month period,

customers are enjoying on average €1300 extra cashflow per annum, helping fuel the consumer spending recovery that every business in this room relies on.

We recognise that this helps the buy side of the problem. We must do more to also help the supply side. This involves creative ways to support the Minister's plan to create the right environment to ensure a successful increase in the number of home completions in the State. However, we are very aware that we must learn from the errors of the past and ensure they are not repeated in doing so.

In terms of supporting the social problems that are currently very real in the State in terms of homelessness -- AIB is providing several hundred empty homes, with more in the pipeline, to the Housing Agency for use in housing homeless families. This work continues.

In closing, I am proud to stand here and represent AIB tonight. In speaking about AIB's half-year results, The Minister for Finance referred to the "continued strong performance of AIB which has demonstrated sustainable profitability and capital generation over a number of consecutive reporting periods."

These results indicate that the bank is in a stable position and business conditions are conducive to the sale of the bank. Of course, market conditions must also be right and ultimately the timing of any disposal of the bank is at the discretion of the government.

When this does happen, the realisation of value by the State will present an opportunity to pay down national debt and in turn provide options to the Government in helping towards the capital investment in infrastructure that we all see as critical.

It remains for me to thank Dublin Chamber of Commerce for the relentless work it puts into creating a strong environment for business here.

May I also take this opportunity to congratulate Mary Rose Bourke in her new role as CEO of the Chamber, and wish her every success.....

Thank you very much --- have a great evening.