



2 March 2021

AIB Group plc announces acquisition of leading Irish financial services provider Goodbody

- **Launch of €50 million SME green equity fund**

AIB Group plc (“AIB”) today announces that it has reached agreement to acquire Goodbody, a leading Irish provider of wealth management, corporate finance and capital markets services. Under the terms of the agreement, AIB will acquire 100% of Goodbody from its existing shareholders for an enterprise value of c. €82 million.

Goodbody, which manages assets of c. €8 billion and employs 300 people in offices across Ireland and the UK, provides financial services in three core segments – Wealth Management, Asset Management and Investment Banking – to both private and corporate clients. Under the terms of the acquisition, a small number of AIB staff from its Corporate Institutional and Business Banking team are expected to move across to Goodbody over time to avoid duplication.

AIB will acquire the entire share capital for a consideration of €138m reflecting €82m enterprise value and c. €56m excess cash on the balance sheet. Goodbody’s 2020 management accounts recorded revenue of c. €71m. The transaction does not materially impact AIB’s CET1 and is modestly accretive to earnings and ROTC in the first full year of ownership.

The acquisition is consistent with AIB’s strategy announced in December 2020 to make selective investments in order to address gaps in its overall customer offering and diversify income streams. This transaction marks a step in delivering the updated strategy and AIB will continue to explore further opportunities, particularly in the Life and Pensions segments.

In line with the bank’s sustainability strategy, AIB will be launching a new €50 million SME equity fund with a focus on backing businesses that can help accelerate Ireland’s transition towards a low-carbon economy. The aim of this new fund is to provide equity to support the growth of Irish SMEs; to stimulate job creation in the economy; and to ensure a greener future for Ireland by backing those businesses that are building it today.

Colin Hunt, Chief Executive Officer of AIB, said:

“The acquisition of Goodbody will greatly increase the Group’s capacity to broaden its services to customers, while also enhancing the bank’s growth opportunities. This is a landmark deal for the bank, as AIB positions itself for expansion in Ireland, supporting our 2.8 million customers and ready to underpin Ireland’s economic recovery as we emerge from the COVID-19 pandemic. We are focused on achieving the transformation of AIB that we announced in December 2020 and working towards our target RoTE of >8%. While the Group will optimise synergies to expand customer offerings for both existing AIB and Goodbody private and corporate clients, Goodbody will remain as a separately regulated entity with its own brand and Board.”

Goodbody Managing Director Roy Barrett, said:

“With AIB, Goodbody is aligning with the market leader and could not be better positioned to compete in the financial services sector over time. This is now the beginning of an exciting new phase of the company’s development as this partnership has the potential to offer our business, our clients and our staff many opportunities for growth as we start the next chapter of Goodbody’s history.”

AIB will continue to adhere to the Government’s pay restrictions, with separate remuneration structures in place for Goodbody.

Completion of the acquisition is conditional on the satisfaction of customary conditions including approval by the Central Bank of Ireland and the Competition and Consumer Protection Commission.

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Forward Looking Statements

This document contains certain forward looking statements with respect to the financial condition, results of operations and business of AIB Group and certain of the plans and objectives of the Group. These forward looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward looking statements sometimes use words such as ‘aim’, ‘anticipate’, ‘target’, ‘expect’, ‘estimate’, ‘intend’, ‘plan’, ‘goal’, ‘believe’, ‘may’, ‘could’, ‘will’, ‘seek’, ‘continue’, ‘should’, ‘assume’, or other words of similar meaning. Examples of forward looking statements include, among others, statements regarding the Group’s future financial position, capital structure, Government shareholding in the Group, income growth, loan losses, business strategy, projected costs, capital ratios, estimates of capital expenditures, and plans and objectives for future operations. Because such statements are inherently subject to risks and uncertainties, actual results may differ materially from those expressed or implied by such forward looking information. By their nature, forward looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by these forward looking statements. These are set out in Principal risks on pages 40 to 43 in the Annual Financial Report 2019 and updated on pages 36 and 37 of the Half-Yearly Financial Report 2020. In addition to matters relating to the Group’s business, future performance will be impacted by Irish, UK and wider European and global economic and financial market considerations. Any forward looking statements made by or on behalf of the Group speak only as of the date they are made. The Group cautions that the list of important factors on pages 40 to 43 of the Annual Financial Report 2019 is not exhaustive. Investors and others should carefully consider the foregoing factors and other uncertainties and events when making an investment decision based on any forward looking statement.

Figures presented may be subject to rounding.