



2 December 2022

AIB GROUP PLC – MEDIUM-TERM TARGETS
AIB to deliver a RoTE of greater than 13% in 2024

AIB Group plc today announces revised medium-term targets as follows:

Revised medium-term targets:

- Absolute cost⁽¹⁾ target of <€1.75 billion in 2024
- CET1⁽²⁾ target >13.5%
- RoTE⁽³⁾ >13% in 2024

With significant momentum in income we also expect to deliver a cost income ratio of c. 50% by 2024.

Additionally today we outline our plans for shareholder distributions. Subject to a supportive macroeconomic environment and annual Board and required regulatory approvals, in the coming years we will seek to move towards our CET1 target by prudently increasing levels of distribution, supplementing dividend with share buybacks where appropriate.

Colin Hunt, Chief Executive Officer commented:

“We set out our strategy in December 2020 to fulfil our ambition of being at the heart of our customers’ financial lives. Since then we have made significant progress in growing and strengthening the Group through an enhanced product suite, a transforming operating model and an increased customer base – now heading to over three million customers.”

While global economic headwinds exist, the Irish economy continues to deliver economic growth and demonstrate resilience. Against this domestic backdrop and given the changing banking landscape and evolving operating environment, we have revised our medium-term targets and now expect a RoTE of greater than 13% in 2024. We continue to implement our strategy to enhance shareholder value and deliver sustainable returns.”

Analyst conference call

A conference call for analysts, hosted by Colin Hunt, CEO, and Donal Galvin, CFO will be held from 10:00 – 11:00 GMT. Please click on the link below and enter your details to receive a unique PIN to access the call or to request a free call back which connects you to the meeting automatically up to 15 minutes before the event.

<https://register.vevent.com/register/BI6225f5655d4043e1a9524dcdffb81c96>

Please note it is advisable to register in advance

Further details available on our website <https://aib.ie/investorrelations/aib-investor-updates>

Footnotes:

- 1) Costs before bank levies and regulatory fees and exceptional items
- 2) CET1 fully loaded
- 3) $RoTE = (PAT - AT1) / (CET1 @ 13.5\% \text{ of RWAs}; RoTE: \text{return on tangible equity})$

-ENDS-

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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 28 to 30 of the Annual Financial Report 2021 and updated on page 37 of the Half-Yearly Financial Report 2022. In addition to matters relating to the Group's business, future performance will be impacted by the direct and indirect impacts of the COVID-19 pandemic, the direct and indirect consequences of the Russia-Ukraine War on European and global macroeconomic conditions, the impact of higher inflation on customer sentiment and 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 28 to 30 of the Annual Financial Report 2021 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.