



EMBARGO 07:00

2 December 2020

AIB GROUP PLC – MEDIUM-TERM TARGETS
AIB to deliver a ROTE of greater than 8% by 2023

Having completed its strategic review, AIB Group plc will hold an investor and analyst update today to brief the market on its strategy and financial targets for the period 2021 to 2023.

Medium-term targets 2021-2023

- Absolute cost⁽¹⁾ target of < €1.35 billion in 2023
- CET1⁽²⁾ target > 14%
- RoTE⁽³⁾ > 8% by 2023

Colin Hunt, Chief Executive Officer, made the following comments:

“Prior to the onset of COVID-19 in Ireland, we set out our plans to further simplify, streamline and strengthen AIB Group. The fundamentals upon which these plans were based, namely the great strength of our customer franchise, our modern digital IT architecture and strong liquidity and capital position, remain unchanged.

COVID-19 has dramatically changed the operating environment, presenting both challenges and opportunities and accelerating the trends of digitalisation, changing ways of working and sustainability. In short, it has made significant change both necessary and possible. Accordingly, we are recommitting to our target to deliver a ROTE of greater than 8%.”

Footnotes:

- 1) Costs before bank levies and regulatory fees and exceptional items
- 2) CET1 fully loaded
- 3) $RoTE = (PAT - AT1) / (CET1 @ 14\% \text{ of RWAs})$

-ENDS-

Further details available on our website <https://aib.ie/investorrelations/aib-investor-update-2020>

Contact details:

Niamh Hore / Janet McConkey
Investor Relations
AIB Group plc
Tel: +353-1-6411817 / +353-1-6418974
email: niamh.a.hore@aib.ie
janet.e.mcconkey@aib.ie

Paddy McDonnell / Graham Union
Media Relations
AIB Group plc
Tel: +353-87-7390743 / +353-1-6412430
email: paddy.x.mcdonnell@aib.ie
graham.x.union@aib.ie

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.