



Our Strategy

How we run our business and measure our progress

Four strategic pillars

Customer First



Our customers are at the heart of our organisation. Customer interaction enabled through a digitally-enabled, omni-channel banking experience.

Simple & Efficient



We are at the forefront of digitally enabled banking, with ongoing investment in technology and innovation.

Risk & Capital



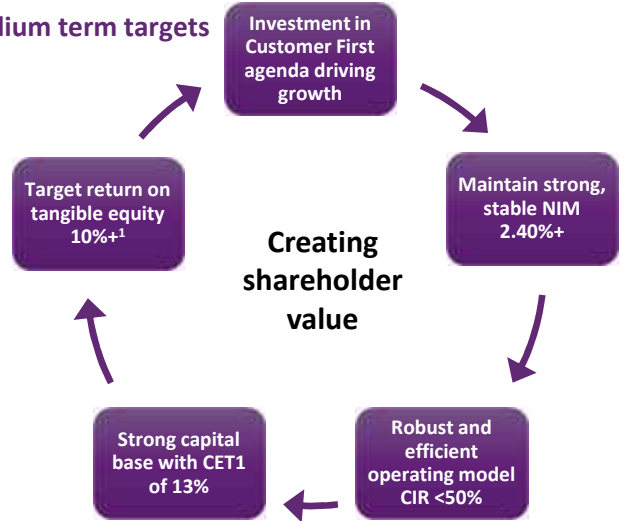
We are increasing the value of business while maintaining a strong risk management framework, improved asset quality and robust capital levels.

Talent & culture



We ensure that we have the right talent, skills and capabilities within the organisation to support accountable, collaborative and trusted ways of working.

Medium term targets



¹RoTE based on (PAT - AT1 coupon + DTA utilisation) / (CET1 @13% plus DTA)

A strong performance in 2017

Net interest margin

2.58%

35bps ↑

Continued positive net interest margin (NIM) growth from stable asset yield and reducing cost of funds. NIM excluding interest on cured loans was 2.50%.

Cost income ratio

48%

4% ↓

Increased income contributed to lower cost income ratio (CIR) of 48%. CIR, excluding income from cured/restructured loans, was 53%.

Profit before tax

€1.3bn

€0.4bn ↓

Profit before tax is lower due to higher exceptional costs. Profit before tax and exceptional items increased to €1.6bn.

CET1 fully loaded

17.5%

220bps ↑

Robust capital position with CET1 of 17.5%, after proposed ordinary dividend of €326m, supporting future growth and the capacity for capital return.

New lending

€9.4bn

€1.0bn ↑

New lending increased by 13% with growth across all segments.

Earning loans

€57.0bn

€0.9bn ↑

Growth of €1.6 billion in earning loan book excluding FX impact, as a result of higher new lending and loans upgraded from impaired.

Impaired loans

€6.3bn

€2.8bn ↓

Continued focus on reducing impaired loans through sustainable restructuring solutions and disposal of distressed loan portfolios.

Dividend

€326m

30% ↑

Proposed ordinary dividend of €326m or 12c per share, a 30% increase on the prior year.

Customer First strategy continuing to deliver strong financial performance

"As this is our first set of annual results since the completion of the IPO, I am delighted they confirm we are delivering against the financial commitments made during that IPO process."

- Bernard Byrne, CEO



At a glance

Customer-focused, strong capital base and well-positioned for growth

Retail & Commercial Banking (RCB) **69%**
of net loans

RCB is the leading provider of financial products and services to personal and business customers in Ireland. Its key business lines include: mortgages; consumer lending; SME lending; asset-backed lending; wealth management; daily banking; and general insurance.


2.4m
customers

Leading retail banking franchise in Ireland with 2.4 million personal and SME customers


297
locations

Number one physical distribution network in Ireland with 297 locations and a further c. 1,100 locations through An Post network


1.3m
digital customers

Number one digital channel distribution in Ireland with 1.3 million active digital customers; over 60% of key products sold via digital channel

€4.6bn **€41.4bn** **€1,199m**
New lending Net loans Op. contribution¹

Market offering

Leading mortgage provider

Number one mortgage provider in a growing market enabled via AIB's multi-brand strategy, including EBS and Haven.

Business banking


Sector-led strategy and local expertise delivering the leading market share across key SME products, including current accounts, deposits and loans (*IPSOS January 2018*)

Personal banking

Leading provider of financial services to personal customers in the market, via digital innovation and relationship management expertise. Full suite of services including daily banking; consumer credit; wealth management; savings; and investments.

Wholesale, Institutional & Corporate Banking (WIB) **17%**
of net loans

WIB provides customer-focused solutions in private and public markets to AIB's largest customers and customers requiring specific sector or product expertise.


relationship-driven model

Well-established and diversified business with market-leading position in key sectors


sector specialist teams

Primary focus on senior debt origination through Corporate Banking; Real Estate Finance; Energy, Climate Action & Infrastructure


product specialist teams

Complementing traditional debt offering through Specialised Finance, Syndicated & International Finance and advisory services in Corporate Finance

€3.2bn **€10.3bn** **€225m**
New lending Net loans Op. contribution¹

Market offering

Corporate Banking

Leading domestic franchise and number one bank for foreign direct investment (FDI).

Real Estate Finance

Multi-disciplinary team with established market position.

Energy, Climate Action & Infrastructure

A centre of excellence with a particular focus on supporting Ireland's decarbonisation.

Specialised Finance

Services such as mezzanine, equity and structured finance.

Syndicated and International Finance

Proven ability with strong track record and reputation.

Corporate Finance

Providing advisory services and solutions.

AIB UK **14%**
of net loans

AIB UK operates in two distinct markets, providing corporate and commercial banking services in Great Britain, trading as Allied Irish Bank (GB), and retail and business banking services in Northern Ireland trading as First Trust Bank.


322k
customers

Over 322,000 retail, corporate and business customers across Great Britain and Northern Ireland


30
locations

A distribution network of 30 locations throughout the United Kingdom: Great Britain (15 business centres); and Northern Ireland (15 branches including six co-located business centres)


119k
digital customers

Over 119,000 active digital customers

£1.5bn **£7.3bn** **£154m**
New lending Net loans Op. contribution¹

Market offering

Allied Irish Bank (GB)

Niche commercial and corporate bank with locations in key cities across Great Britain. Banking services include: lending; treasury; trade facilities; asset finance; invoice discounting; and day-to-day transactional banking.

First Trust Bank (FTB)

A long established bank in Northern Ireland providing a full banking service, including mobile, online, post office and traditional banking to business and personal customers.

Supported by Group (Wholesale Treasury & Group Control and Support functions)

¹Pre-provision operating contribution

AIB Group
+ 353 1 660 0311
Bankcentre
Dublin 4
www.aib.ie/investorrelations

For our Forward Looking Statements, please refer to the 'General information' section of the Annual Financial Report 2017