

# WORKING TO DELIVER QUALITY, SUSTAINABLE RESULTS IN THE YEARS AHEAD

Jim Pettigrew  
Chair

Our optimism for the future is based on the strength of our franchise in our chosen markets and sectors, on the strength of our balance sheet and on our strategy, through which we are broadening our income base and continuing to eliminate unnecessary complexity in our business model.

2022 was a noteworthy year in many respects. It was the year when the invasion of Ukraine elevated the geo-political uncertainty in Europe in particular, and precipitated both an energy crisis and a related cost-of-living crisis globally as inflation took hold. Society managed to bring the impact of the Covid-19 pandemic largely under control and saw most developed economies fully reopen. It was also the year which saw the reversal of negative interest rates, and in that respect,

a return to a more normal operating environment for banks such as AIB.

Through the challenges described, the Irish economy has demonstrated particular resilience and most forecasters expect this resilience to endure for some time to come.

#### **Dividend**

In Colin's Chief Executive's Review, he sets out the very strong financial performance achieved by the Group in 2022 which allowed us report profit before taxation of €880m. I am pleased to report that the Board is recommending a dividend per share of 6.2 cent subject to shareholder approval at the Annual General Meeting on 4 May 2023. This represents an increase of 37.8% over the prior year.

#### **Sell Down by the Irish State and the Group's Share Buyback Programme**

Following his press release in December 2021, the Minister for Finance of Ireland followed this by executing a number of trades in AIB Group plc shares, both through an on-market share trading plan and through two accelerated book builds in June and November. This activity saw the Irish State's shareholding in the Group reduce from 71.12% to 56.89% over the course of the year and resulted in proceeds from the sales of over €1bn returned to the State.

The Group embarked on a €91m share buyback programme immediately following the AGM on 5 May 2022. The programme, comprising a mix of both on market purchases and a directed buyback from the Minister for Finance, completed on 25 May 2022 and saw a total of c. 40.9 million shares (1.51% of the shares in issue at the time) repurchased.

As the Minister was executing the trades described, some of our existing holders were increasing their holdings and new shareholders were joining the register. We welcome them and thank them all for their support and confidence in the Group. Your Board remains relentlessly focused on the Group executing its strategy to generate further value for all shareholders.

#### **Board Changes During 2022**

On 30 June 2022, Carolan Lennon, Senior Independent Director (SID) resigned from the Board and Helen Normoyle, who has served as an Independent Non-Executive Director since December 2015, succeeded her as SID. On behalf of the Board, I want to pay tribute to Carolan who made a significant contribution to the Board and its Committees during her time as a Director.

### Sustainability

Our 2022 Sustainability Report published separately to this document sets out our targets and ambitions in the areas of sustainability and across the Environment, Social and Governance (ESG) agenda. It also describes our involvement in our community through volunteering and charitable supports. We are proud of our achievements through 2022, in particular the increase of 65% in green lending to our customers – demonstrating our support for them in making the required transition to a low-carbon economy. The Report, together with Colin's Chief Executive's Review and the 'Sustainability in AIB' chapter of this Annual Report, reflects candidly on our progress to date, but also highlights where we have more to do. I encourage you to read these.

### Thank You

The resilience of the Group is clearly demonstrated by such a strong performance in 2022. These results were achieved through the commitment and

diligence of our employees and, on behalf of the Board, I want to thank each of them for their teamwork, innovation and determination and for putting our customers at the centre of everything we do, made especially challenging during 2022 as the industry grappled with the operational challenges of seeing two banks exiting the Irish market. I also want to thank our valued customers, those who joined us in 2022 and those of longer standing, for their loyalty and support and for placing their trust in us to take care of their financial needs. We take none of this for granted.

I also want to thank you, our shareholders, for your support for the Group.

### Ambition for the Future

Our optimism for the future is based on the strength of our franchise in our chosen markets and sectors, in the strength of our balance sheet and on our strategy through which we are broadening our income base and continuing to eliminate unnecessary

complexity in our business model.

I look forward to working with my Board colleagues and the Executives as we develop the next phase of our customer centric strategy during 2023 which will leverage our sustainability credentials and our commitment to be a key driver and enabler for our customers as they transition to Net Zero. We remain resolute in our determination that this Group will continue to deliver quality, sustainable results in the years ahead to the benefit of all of our stakeholders.

**Jim Pettigrew**  
Chair  
7 March 2023

