



4 FEBRUARY 2020

AIB GROUP PLC – TRACKER MORTGAGE PROVISION UPDATE

AIB Group plc (“AIB”) advises that following a preliminary decision issued by the Financial Services and Pensions Ombudsman, the Board understands that redress may be due to a previously identified group of customers who had an option of a prevailing tracker rate.

The Board recognises that there is a range of possible outcomes and has created a provision of €300 million which will be taken in full year 2019 financial results. The Board also recognises it is in the interests of the Group, our customers and our other stakeholders to bring this matter to a resolution and discussions are ongoing with the Central Bank of Ireland with regard to potential appropriate treatment of this group of customers.

The Board expects to propose an ordinary dividend in line with our approach of between 40-60% of attributable earnings, subject to regulatory approval. The Group maintains a capital position above regulatory capital requirements and will record a CET1 ratio in excess of 16% at 31 December 2019.

AIB Group plc will announce full year 2019 financial results on 6 March 2020 and will also update the market with our medium term targets and capital plans.

This announcement contains inside information.

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Forward Looking Statements

This announcement 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 the Principal risks and uncertainties on pages 62 to 68 in the 2018 Annual Financial Report. 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 62 to 68 of the 2018 Annual Financial Report 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.