



30 July 2021

AIB Group plc – European Banking Authority (EBA) European-Wide Stress Test 2021

CFO COMMENT ON EBA EU WIDE STRESS TEST

“Our result of 8.8% fully loaded CET1 in the adverse scenario demonstrates our high capital base and capital resilience in the face of a very severe EBA adverse scenario. AIB continues to be very well-capitalised with a CET1 ratio of 15.8% at Q1 2021 and we will update further when we announce H1 Results on the 4th August.”

-Donal Galvin, CFO

RESULTS OF EBA EU WIDE STRESS TEST

AIB Group plc (“AIB”) was subject to the 2021 EU-wide stress test conducted by the European Banking Authority (EBA), in cooperation with the Central Bank of Ireland (CBI), the European Central Bank (ECB), the European Commission (EC) and the European Systemic Risk Board (ESRB).

AIB notes the announcements made today by the EBA on the EU-wide stress test and fully acknowledge the outcomes of this exercise.

AIB’s capital ratios and EBA stress test results are outlined below:

AIB CET 1 Capital Ratios	Dec 2020
CET 1 - Transitional	18.9%
CET 1 - Fully loaded	15.6%
EBA Stress Test Results	Stress Test 2021
CET 1 – Transitional adverse scenario	9.6%
CET 1 – Fully loaded adverse scenario	8.8%

The 2021 EU-wide stress test does not contain a pass fail threshold and instead is designed to be used as an important source of information for the purposes of the Supervisory Review and Evaluation Process (SREP). The results will assist competent authorities in assessing AIB’s ability to meet applicable prudential requirements under stressed scenarios.

The adverse stress test scenario was set by the ECB/ESRB and covers a three-year time horizon (2021-2023). The stress test has been carried out applying a static balance sheet assumption as of December 2020, and therefore does not take into account future business strategies and management actions. It is not a forecast of AIB’s profits.

No capital action is required for AIB as a result of the EBA Stress Test Results.

AIB notes the following:

- AIB is well capitalised with a CET1 fully loaded ratio at Q1 2021 of 15.8%, well ahead of our opening minimum regulatory requirement (SREP) of 10.19%^[1]
- AIB has filled its AT1 and Tier 2 buckets under Art 104 a. which reduces AIB's Pillar 2 CET1 requirement from 3.00% to 1.69%
- AIB's very strong capital starting level (December 2020: CET1 15.6%) which included the impact of €1.4bn ECL charge in 2020 gives us significant comfort about the overall result (EBA Stress Test Adverse Scenario: depletion of 6.8% to give CET1 of 8.8%) which was well above the total SREP capital requirements (TSCR) of 6.19%

To view the results including disclosure templates published by EBA for AIB please [click here](#):

AIB Group plc will publish its half-yearly 2021 financial results on 4 August 2021 at 07:00 IST

-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 the Principal risks on pages 50 to 53 in the 2020 Annual Financial Report. In addition to matters relating to the Group's business, future performance will be impacted by direct and indirect impacts of the COVID-19 pandemic 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 50 to 53 of the 2020 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.

^[1] FY 2021 SREP is 10.19%; SREP requirement does not include Pillar 2 Guidance (P2G).