

OUR STRATEGY

# DELIVERING ON OUR STRATEGY

In the first six months of 2022, we made further progress across our Strategic Pillars. Our strategy aims to enhance our products and services, evolve ways of working and focus on cost management, while addressing the sustainability agenda.

STRATEGIC PILLAR	FOCUS	UPDATE
<b>CUSTOMER FIRST</b>	 <b>DELIVERING FOR CUSTOMER NEEDS ACROSS THE GROUP</b>	<ul style="list-style-type: none"> <li>Progress in enhancing the wealth management proposition for our customers, with Goodbody integrated and the Great West Lifeco JV advancing at pace</li> <li>First customers transitioned to AIB following acquisition of c. €3.7bn Ulster Bank performing corporate and commercial loans</li> <li>Entered binding agreement with NatWest Group plc and Ulster Bank Ireland DAC for the acquisition of c. €5.7bn performing tracker mortgage portfolio</li> <li>Record account openings following exit of Ulster Bank and KBC, with c. 205k accounts opened in H1 2022</li> <li>Recruiting up to 700 temporary staff to support account opening; enhanced Mobile App to enable remote opening for c. 70% of new accounts</li> </ul>
<b>SIMPLE &amp; EFFICIENT</b>	 <b>NETWORK MODEL; CHANGE DELIVERY</b>	<ul style="list-style-type: none"> <li>Continued to work with An Post to complement our branch network model</li> <li>Further recruitment in digital, data and change roles, strengthening in-house core capabilities and supporting the delivery of the transformation agenda</li> <li>Enhanced our cyber and operational capabilities through technology partners, helping to ensure our digital services are secure for our customers</li> </ul>
<b>RISK &amp; CAPITAL</b>	 <b>CAPITAL, CREDIT AND LEGACY ITEMS</b>	<ul style="list-style-type: none"> <li>Resumption of capital distribution including payment of an ordinary dividend of €122m (4.5c/share) along with completion of a €91m share buyback programme</li> <li>Ongoing development and deployment of digitised, streamlined capabilities for E2E credit journeys, including the launch of Partner Portal for our credit intermediaries</li> <li>Progress made on close-out of legacy items; further reduction of NPEs towards normalised levels, review of Belfry investment fund, along with the conclusion of the tracker mortgage enforcement programme</li> </ul>
<b>TALENT &amp; CULTURE</b>	 <b>FACILITATING FUTURE OF WORK MODEL; INCLUSION &amp; DIVERSITY</b>	<ul style="list-style-type: none"> <li>Enhancements to our head office, regional and local office footprint to support our hybrid working model, enabled by technologies, people policies and wellbeing strategy and also further strengthening our community presence</li> <li>Agreement with the Financial Services Union on a three-year pay deal that will provide certainty on pay to March 2025</li> <li>New Inclusion &amp; Diversity (I&amp;D) strategy launched in January, with significant investment in I&amp;D employee training; inclusive leadership training for people leaders</li> </ul>
<b>SUSTAINABLE COMMUNITIES</b>	 <b>ENVIRONMENTAL</b>	<ul style="list-style-type: none"> <li>Leading Irish bank in ESG bonds, raising €750m in third green bond issuance; a total of €3.5bn raised from ESG bonds since 2020</li> <li>23% of all new lending in H1 2022 was Green</li> <li>Announced €30m AIB Foresight SME Fund, driving green SME business of the future</li> <li>Completed emissions reduction target-setting for our Corporate loan portfolio with science-based targets set for 75% of our Group loan book</li> </ul>
	 <b>SOCIAL</b>	<ul style="list-style-type: none"> <li>Raised €1bn in the first social bond issuance by an Irish bank; at issuance, AIB became the 19<sup>th</sup> bank in the world to have public debt offerings in both green and social bonds</li> <li>Supported social housing by funding 520 completions in the period</li> <li>Launched new AIB Community €1m Fund to support over 60 charities in Ireland and the UK</li> <li>€500k committed to support those impacted by the war in Ukraine; matching employee donations</li> </ul>
	 <b>GOVERNANCE</b>	<ul style="list-style-type: none"> <li>ESG ratings agency Sustainalytics ranked AIB in the top 5% of banks globally</li> <li>Goodbody now a member of Sustainable Trading, an ESG benchmark in financial markets trading</li> <li>Helen Normoyle, Chair of our Sustainable Business Advisory Committee, was appointed Senior Independent Director with effect from 1 July 2022</li> </ul>