



BACKING A SUSTAINABLE FUTURE

AIB Group plc
Summary Sustainability Report 2018



ABOUT AIB

We are a financial services group operating predominantly in the Republic of Ireland. We provide a comprehensive range of services to retail, business and corporate customers, and hold market-leading positions in key segments in the Republic of Ireland. We also operate in Great Britain, as Allied Irish bank (GB), and in Northern Ireland, under the trading name First Trust Bank (FTB).

We operate under the following brands



AIB, comprising personal, business, corporate and wholesale banking, predominantly in the Republic of Ireland.



EBS, delivering a suite of personal products in the Republic of Ireland, primarily mortgages.



Haven, providing mortgages through intermediaries in the Republic of Ireland.



AIB UK comprises two trading entities: Allied Irish Bank (GB) in Great Britain and First Trust Bank (FTB) in Northern Ireland. In April 2019, we announced that FTB would be re-branded to AIB.

SUSTAINABILITY AT AIB

With 2.7 million customers and almost 10,000 employees, AIB is inextricably linked to the fabric of the economies in which we operate.

We want our business to make a positive impact, creating long-term shared value for our customers, our other stakeholders and the communities in which we live and work.

As a bank we have three basic functions: to convert savings and other deposits into financing; to manage credit and other risks; and to facilitate payments and transactions efficiently and securely. Simple though these tasks appear, they are fundamental to modern-day-life. As such, we know that we have a meaningful contribution to make in addressing many of the pressing current and emerging societal issues we face, including:

- funding the providers and purchasers of housing and homes;
- facilitating access to the digital economy for all via the provision of basic bank accounts;
- backing the wealth- and job-creators within our economy; and
- advancing the transition to a low-carbon environment.

In addressing these issues we must adhere to sustainable business practices. Ultimately our social license to operate, to contribute and to lead will be determined by the trust our stakeholders place in us. We will therefore continue to report on our progress to international best practice standards and we will foster a culture of accountability and responsibility for our actions and outcomes.

Most importantly, in all that we do, we will be guided by our Purpose:

To back our customers to achieve their dreams and ambitions.

A MESSAGE FROM COLIN HUNT, OUR CEO

I am deeply privileged to be leading AIB. It is an exciting – if not challenging time to be in banking.

AIB has emerged post-crisis as financially sound with all core indicators stable. We have also learned – along with our customers and many other stakeholders – many salutary lessons from our recent past.

We have an opportunity and a journey ahead of us to do things differently in AIB: to be true partners to our customers and a strong collaborator with our other stakeholders.

Our approach to sustainability starts from the inside with our Purpose, which is to back our customers to achieve their dreams and ambitions. Our business is built on the strength of our people and I am proud of the success we have already achieved together. In 2018, we invested time and resources into continuing to embed our Purpose throughout our organisation and among our people.

My focus, quite rightly, is now concentrated on rebuilding confidence in and the social licence of AIB, embedding standards and behaviours expected by our customers and other stakeholders, which ultimately drives trust not just in what we do, but equally in how we do it. This demonstrates the value we create and the positive partnership we bring to communities and businesses all over Ireland.

Externally, as the global economy becomes more complex and rapid changes affect the way we all live and work, our primary focus is helping our customers achieve what's important to them, based on building deep, enduring relationships.

In the months ahead I will be working to accelerate our sustainability programme, with a particular focus on sustainable finance, cultural transformation and our support of communities and livelihoods across the AIB network.

At a time when trust in the banking industry has been damaged in the court of public opinion, it is more important than ever for AIB to actively demonstrate the value we create for our customers, communities and our people.

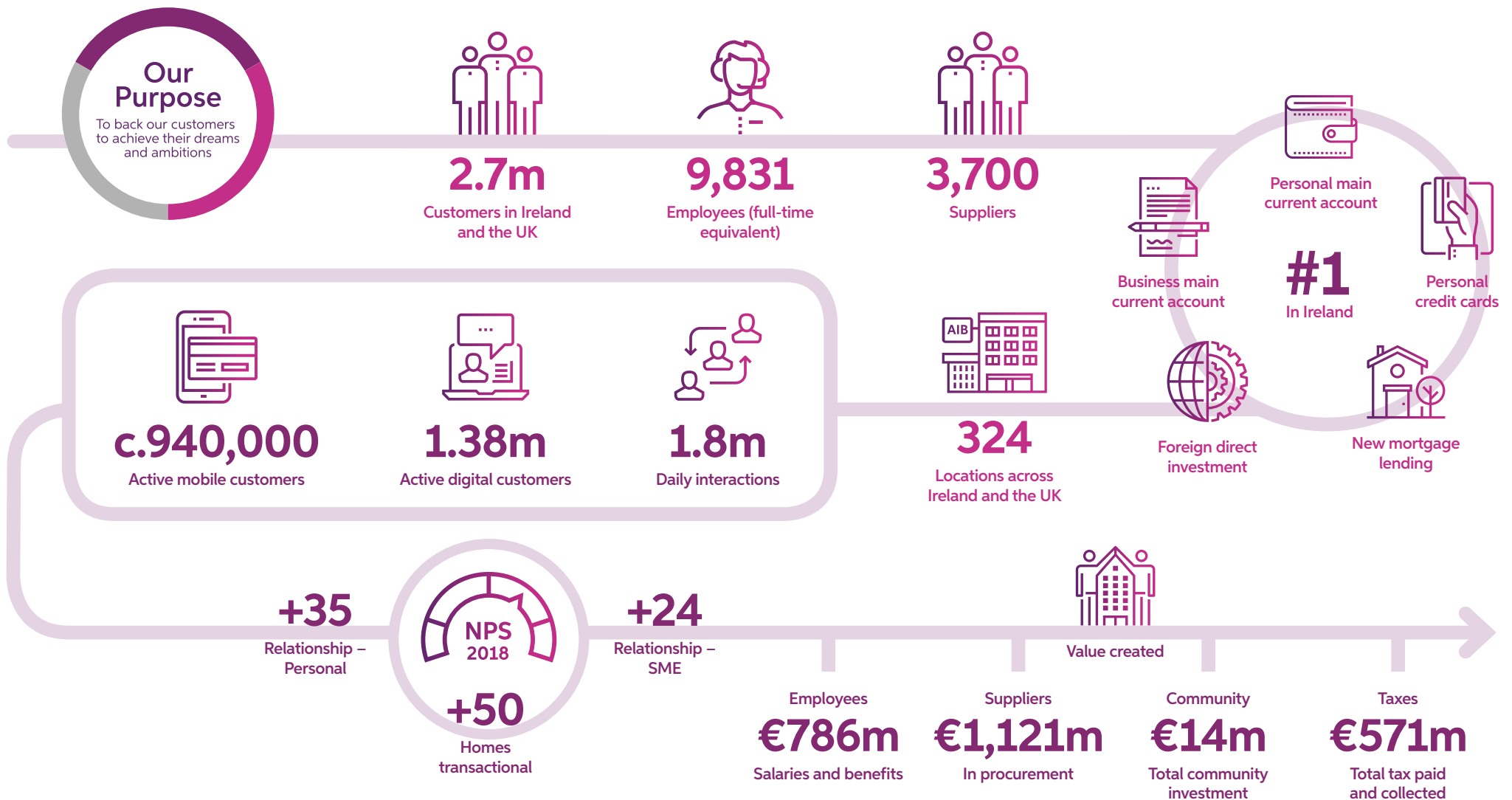
I want to thank the Sustainable Banking Advisory Committee and its Chair, Helen Normoyle, for their work to date. This Committee, and the teams that support it, demonstrate the significance we are placing on putting the sustainability agenda at the heart of AIB.



“We know we can play a central role in Ireland’s programme to address climate change, helping to accelerate the transition to a low-carbon economy. To do this we need to integrate climate change impact considerations across all our decision making.”

Colin Hunt
Chief Executive Officer

THE VALUE WE CREATE



Information as at December 2018.

Sources: AFR 2018, Independent Market Research and Company Information.

2018 HIGHLIGHTS

1. Housing



- **13,937** homes financed – **€2.8bn** in new lending
- Funding for **4,700+** new housing units in addition to **500+** social units
- **Fair pricing** – same rates for both new and existing mortgage customers
- **250** specialist **Homes Advisors**
- **+50 NPS** result for our Homes journey
- Working with **iCare** on Mortgage to Rent solution

2. Digitalisation



- **1.38m** active digital customers
- **940,000** active customers on mobile app (**+20%** on 2017)
- **45 million** transactions completed online or on mobile
- Expanded our digital wallet: to include **Google Pay, Apple** and **Fitbit Pay**
- **Financial Crime Awareness** week held in support of the “**Fraud Smart**” campaign

3. Lending



- **No. 1** for foreign direct investment
- **€12.1bn** in new lending drawdowns
- Lending to **29,293** SME and corporate customers totalling **€5.3bn**
- **+57 NPS** for the SME micro journey

4. Entrepreneurship



- **€170m** invested in equity funds
- Sponsor of the **UCD Start-Up Programme**
- **500** business owners took part in AIB **Women in Enterprise Programme**

5. Sustainable food production and agriculture



- **15** dedicated Agri Advisors
- Ongoing partnerships with **Teagasc**
- **Agri Matters** sent to **15,000** farmers
- **500** attendees at the **Irish Grassland Association** summer tour

6. Brexit



- **32** Brexit Advisors now in place
- Quarterly **Brexit Sentiment** indices issued
- Over **19,600** customers utilised our online **Brexit Ready Check**

7. Low-carbon economy



- Maintained our **CDP Climate Change A rating**
- Expanded Centre of Excellence for **Energy, Climate Action & Infrastructure**
- Signatories of the **Low Carbon Pledge**

8. Financial inclusion and literacy



- **Enhanced support** for vulnerable customers
- Winner of **3** categories in the **Nala Plain English Awards**
- **37,500** basic bank accounts opened
- **5,500** second-level students attended AIB **Future Sparks**
- **129** second-level schools participated in AIBs **Build a Bank**

9. Skills and training



- **86** new graduates joined our business
- Launched our **Transition Year Programme** focused on **STEM**
- **200** students hacked for inclusion in the AIB **DataHack**

10. Customers in difficulty



- Agreed **1,575** retail mortgage solutions with our customers
- **c.35,000** customers completed financial health checks
- Reduced NPEs by **41%** to **€6.1bn**
- **1,500 employees** in place to support customers in difficulty

Our people



- **72nd percentile** on worldwide Gallup database for engagement
- **38.7%** female representation at management level
- **27%** female representation at Board level
- **6** employee resource groups in place for employees
- Launched **Mentor Her**
- **Employer of the Year** at the **Women in Finance Awards**
- **Distinction in Inclusion & Diversity** at the **HRD Awards**
- Member of the **Open Doors** initiative, promoting inclusion in the workforce

Our communities



- Launched **AIB Together**
- Community partner **SOAR** **increased reach by 60%** as a result of our support
- **3,000 volunteering hours** recorded
- **€14m** in community investment
- **2 days** per employee to volunteer in their local community
- Sponsorship of **Gaelic Athletic Association** Club and County championships extended by **5 years**
- **AIB Art** lending expanded to third-level institutions and healthcare facilities

Above issues (1-10) were identified as part of our materiality exercise completed Q12018 with input from 1,376 stakeholders.

WE CONTINUALLY LISTEN

We know how important it is to listen to, and engage with our stakeholders on an ongoing basis. Their feedback and experiences inform and guide us, helping us to focus our actions so that we can improve our service to them.

Our 5 stakeholder groups



Customers



Employees



Investors



Government
& Society



Regulator

+35

Relationship –
Personal



+50

Homes
transactional

+24

Relationship –
SME

135,344

Voice of the Customer surveys
completed

1,376

stakeholders contributed
to our materiality exercise

8,865

employees completed our
engagement survey

89%

participation rate in our
employee engagement survey

HOW WE ARE ADDRESSING IMPORTANT GLOBAL ISSUES

We are committed to being a sustainable bank and addressing the issues that are facing our society and our environment today and into the future.

Material topics

From a list of material topics that reflect how we operate, our stakeholders ranked them in order of importance in rebuilding trust in AIB. Of these the top 14 became our focus and they are:

- a** Making our services and products transparent to consumers
- b** Engaging with all our stakeholders regularly
- c** Protecting our customers' privacy and data
- d** Pricing our products and services fairly
- e** Improving our customer experience and satisfaction levels
- f** Talent attraction, retention and development
- g** Employee engagement and satisfaction
- h** Providing business leadership and vision
- i** Maintaining a profitable and financially sustainable business
- j** Complying with laws, codes and regulations
- k** Providing responsible products and services
- l** Managing our business risks effectively
- m** Our business culture and ethical behaviour
- n** The stability, security and continuity of our business services

Macroeconomic issues

We wanted to know which macroeconomic issues were important to our stakeholders and we identified 10 that we need to address:

1. Housing
2. Digitalisation
3. Lending
4. Entrepreneurship
5. Sustainable food production and agriculture
6. Brexit
7. Low-carbon economy
8. Financial literacy and inclusion
9. Skills and training
10. Customers in difficulty

What are the social, environmental and economic issues that you believe AIB is best placed to address?

1. HOUSING

Housing is one of the biggest social issues in Ireland today. AIB plays a critical role at every point in the housing chain: from providing funding for large-scale developments to creating a more efficient journey for home-buyers to collaborating with housing associations. Every day we back our customers to have a place that they can call home.

KEY HIGHLIGHTS

13,937

homes financed – €2.8bn in lending

4,700+

new housing units

250

specialist Homes Advisors

Ongoing partnerships with Approved Housing Bodies including iCare

2019 – LOOKING AHEAD

- Seven out of ten mortgage customers to receive a decision in principle within 90 mins
- planned funding for c.5,500 new housing units

Stakeholder Groups



Material Topics

- h** Providing business leadership and vision
- i** Maintaining a profitable and financially sustainable business
- k** Providing responsible products and services

Helen Cheevers with baby Erik outside her new home at Baile na Laochra, Ballymun, Dublin.

Photograph: Cyril Byrne/THE IRISH TIMES.

CASE STUDY

Ó Cualann Cohousing Alliance

AIB provided finance to Ó Cualann Cohousing Alliance to build houses in Ballymun/Poppintree in Dublin 11. Ó Cualann sourced the land from Dublin City Council at a nominal fee per house, and in turn are selling them to the new owners on a cost basis, which can be more than 30% lower than the market value of similar properties in the area.

There will be 49 houses in total in the estate, which have all been allocated. In the Ó Cualann model, social and affordable homes are mixed together to form fully-integrated communities. Moreover, community spirit is engendered long before the homes are complete.

There were already 17 families living in Ó Cualann's Baile na Laochra development in Ballymun when an additional 11 families received their keys on 2 August 2018 at a ceremony on the estate. Ó Cualann is now in discussion with other local authorities and agencies around the country.

2. DIGITALISATION

AIB is at the forefront of digitally-enabled banking in Ireland, with ongoing investment in technology and innovation. Our products and services are simple and easily accessible, supported by a resilient and agile technology platform. We continue to offer innovative services while protecting our customers data.

KEY HIGHLIGHTS

1.38m

active digital customers

940k

active mobile customers
(+20% from 2017)

64%

of key products sold online

45m

the number of customer transactions
completed online or on mobile

2019 – LOOKING AHEAD

- €50m investment in improved system performance in 2019
- Extension of new to bank account opening process

Stakeholder Groups



Material Topics

- c** Protecting our customers' privacy and data
- n** The stability, security and continuity of our business services

CASE STUDY

Hacking for Inclusion

In November 2018, 200 third-level students of computer science, engineering, data analytics, maths and physics from across Ireland gathered in our Central Park office to participate in the 2018 AIB DataHack.

DataHack comprises two separate programming competitions: a Datathon and a Hackathon. For the Hackathon, students were asked to design and build a problem-solving website around this year's theme of Inclusion. This could be an imaginary company or service, an educational website or a social activist/volunteer site. Suggested themes were (but not limited to): accessibility, ability, race, gender, sexuality, age, wealth, education, or vulnerability.

The winners of the Hackathon were Team Goofy Bois: Sam O'Neill of Maynooth University and Akhil Voorakarra of Dublin City University (DCU) who designed the

Muffler app, which helps people with autism and sensory difficulties navigate the city by offering the most quiet route available. Sam and Akhil won €2,000 between them. The winners of the Datathon were Team Dan: Daniel Lenehan and Daniel Maguire, both University College Dublin (UCD) students, who spent eight hours solving a data problem on the theme of Inclusion, and also won €2,000.

We also ran a shorter Webathon competition for second-level students, also on the theme of Inclusion. The winners were Garreth Nomayo and Joshua Eyinagho from BAMEtech Ireland, a voluntary organisation set up to increase the number of people of colour in the Irish digital space, who each took home an iPad and €1,000 for their club. Their winning website Traffiq aims to help victims of human trafficking.

3. LENDING

AIB Group has more customers in Ireland than any other financial institution in the marketplace. We increased lending by 15% in 2018 thanks to our expertise, our digital offerings and our sector-led strategy. With a new focus on energy, climate and infrastructure lending and using a strengthened risk management framework, we aim to be the lender of choice for both personal and business customers.

KEY HIGHLIGHTS

No. 1 bank

in Ireland for foreign direct investment

€12.1bn

new lending drawdowns

€5.3bn

in lending to 29,293 SME and Corporate customers

+57

SME Micro Score

2019 – LOOKING AHEAD

- €1.5bn planned lending to SMEs
- Continued focus on energy, climate action and infrastructure lending
- Ongoing support and insights as Brexit develops

Stakeholder Groups



Material Topics

- d** Pricing our products and services fairly
- e** Improving our customer experience and satisfaction levels
- k** Providing responsible products and services
- m** Our business culture and ethical behaviour

CASE STUDY

Shabra Plastics

Shabra Plastics & Recycling is the largest plastics recycler in Ireland, recycling 100,000 tonnes of plastics annually. Based in Castleblaney, Co. Monaghan, the business was founded over 30 years ago by Rita Shah and the late Oliver Brady.

The company is a manufacturer and printer of polythene bags and tubing. It also supplies disposables, janitorial supplies and chemicals for catering and industrial applications. It is a great example of closed loop recycling via polyethylene (PE) reprocessing, and is on a mission to decrease the volume of unrecycled waste in Ireland.

Shabra is a long-time AIB customer, and in 2018 we approved funding of €800,000 to the company to purchase additional recycling equipment, improve output and undertake a large expansion.

4. ENTREPRENEURSHIP

Entrepreneurs can change the way we live and work, creating jobs and innovative solutions. In 2018 AIB continued to support entrepreneurs starting up and expanding, with a particular focus on women-led companies. We aim to provide both the funding and supports necessary for enterprises of all sizes to thrive.

KEY HIGHLIGHTS

50%

of all business accounts are now held by women

500

participants in the Women in Enterprise programme

185

Business Customer Advisors available

20

business centres across the UK

2019 – LOOKING AHEAD

- 200 additional participants in the Women in Enterprise programme
- Ongoing support of entrepreneurial hubs Ludgate and PorterShed

Stakeholder Groups



Material Topics



Providing business leadership and vision



Our business culture and ethical behaviour



L-R: Conor Timoney, Muireann Fitzmaurice, Margaret Hctor and Catherine Moroney at a recent Women in Enterprise Masterclass.

CASE STUDY

Backing women in enterprise

The AIB Women in Enterprise Growth Masterclass and Growth Academy provides tools, support and guidance for the specific challenges facing business owners. Masterclasses are each led by three trainers who are specialists in the areas of finance, marketing and sales, and leadership. And the academy, which ran over six full days during January to June in 2018, provides intensive in-depth sessions focusing on leadership and growth strategies.

The Women in Enterprise programme also aims to make business funding options more visible and accessible. In particular, the programme focuses on AIB's €100m Senior Loan Fund and the €3m AIB Discovery Programme.

In all, over 500 business owners took part in the programme in 2018, with 40 of these participating in the Academy. One significant outcome for AIB was a rise in women-owned business accounts: women-led businesses now make up 50% of all business accounts with AIB – up from 33% in 2017. And one in two business loans opened between March 2018 and December 2018 were for women-led businesses.

We will deliver this programme to a further 200 business owners across the country throughout 2019.

5. SUSTAINABLE FOOD PRODUCTION AND AGRICULTURE

Ireland is known around the world as a quality, safe and sustainable food producer. There is a depth of appreciation, knowledge and experience in AIB when it comes to dealing with the food and drink industries. Exports are expected to reach €19bn per annum by 2025, and we aim to be the strategic partner in reaching that goal.

KEY HIGHLIGHTS

15

dedicated Agricultural Sector Specialists in place

Ongoing partnerships with Teagasc

15,000

Agri Matters circulated to customers

500

attendees at the Irish Grassland Association (IGA) Summer Tour

2019 – LOOKING AHEAD

- 500 expected attendees at the IGA Dairy Summer Tour
- 50 planned farm walks as part of Grass 10 programme

Stakeholder Groups



Material Topics



Providing responsible products and services

Samco Manufacturing Ltd in Adare.

CASE STUDY

Samco Manufacturing Ltd

AIB customer Samco Manufacturing Ltd is an innovative company involved in the manufacture of agricultural machinery primarily used in forage maize growing. The company also manufactures biodegradable mulch film that is used with the machinery and holds a patent for same.

This technology has been crucial in facilitating the growth of maize in the Irish and similar climates. Previously, Ireland would not have been an ideal location for growing maize. As a result of improving the quality of the maize grown here, Samco helps farmers to reduce costs and increase profits in an ever-challenging agricultural industry. Importantly, this biodegradable mulch film is also a replacement for plastic. The company supplies into the UK, the EU, New Zealand and Chile.

In 2018, the company was approved part-funding of €1.6m to develop a large purpose-built manufacturing plant in Adare, Co. Limerick.

6. BREXIT

Brexit is one of most significant geopolitical phenomenons to take place in recent history. Throughout the uncertainty and difficult planning conditions, we aimed to support and inform all our impacted customers.

KEY HIGHLIGHTS

Brexit Sentiment Index
issued quarterly

€122m

of the SCBI Brexit Loan Scheme

32

dedicated Brexit Advisors
now in place

19,600+

customers completed Brexit
Ready Checks

2019 – LOOKING AHEAD

- 32 dedicated Brexit Advisors now in place
- Ongoing support through our Brexit Ready Check and helpline
- Continued funding for customers via SBCI Brexit Loan Scheme

Stakeholder Groups



Material Topics

- b** Engaging with all our stakeholders regularly
- I** Managing our business risks effectively

CASE STUDY

Sponsorship of the DCU Brexit Institute

In 2018, the Dublin City University (DCU) Brexit Institute announced a three-year agreement with AIB joining Arthur Cox as an official sponsor of the Institute. The first centre of its kind in Europe, the DCU Brexit Institute was launched on 23 June 2017, a year after the referendum in which the UK voted to leave the EU.

Analysing the major legal, political and economic challenges raised by the withdrawal of the UK from the EU, the Institute comprises experts from a number of DCU's faculties and schools, connecting them with specialists in Ireland, the EU and beyond. The Institute has firmly established itself as a leading platform for documenting and debating developments in relations between the UK and EU.

In its first 12 months, the DCU Brexit Institute held many high-profile events in Dublin and other European capitals, featuring over 30 keynote speakers comprising current and former Prime



The launch of the DCU Brexit Institute.

Ministers, Presidents, EU Commissioners, Ministers of Foreign Affairs, leaders of independent institutions such as the Central Bank and World Trade Organisation, and prominent members of the EU, UK and Irish parliaments. In addition, the Institute's members have produced a series of books, institutional reports and working papers, together with regular blogs on breaking developments.

7. LOW-CARBON ECONOMY

Decisive action on climate change is needed in order to meet goals set by the Paris Agreement. AIB can support the transition to a low-carbon economy in many significant ways: both in our own operations and the services we provide to our customers. We recently established a Centre of Expertise for Energy, Climate Action and Infrastructure to further support Ireland's decarbonisation.

KEY HIGHLIGHTS

CDP Climate Change A list

Sponsors of Ireland's 1st Climate Week

€100m

Launch of €100m joint equity fund

Low Carbon Pledge commitment to reduce Scope 1 & 2 emissions by 50% by 2030

2019 – LOOKING AHEAD

- Maintain CDP Climate Change A rated status
- AIB commit to reducing our Scope 1 & 2 greenhouse gas emission intensity by 50% by 2030

Stakeholder Groups



Material Topics

- k** Providing responsible products and services

CASE STUDY

At the forefront of innovation

Viridian is one of Ireland's Top 50 Businesses, with substantial presence in Ireland and Northern Ireland, with well-known brands of Energia and Power NI.

Viridian is one of the largest and most diversified players in the Irish energy market via the supply, power generation (wind farms, gas), and regulated off-take contracts (wind Power Purchase Agreement's, portfolio of c.1 Gigawatt). They have always been at the forefront of innovation and were the first independent energy company to enter the deregulated market to offer competitive electricity to Irish businesses in 1999 and are a leading developer of renewable power generation on the island of Ireland.

A recent large project involved the development of a 77 Megawatt wind-farm portfolio in Northern Ireland. Through our Dublin and Belfast energy lending teams, we participated in the syndicate bank facility which provided senior finance to the project. The project forms a key part of Viridian's renewable portfolio as well and the power generation infrastructure in Northern Ireland. The annual power generated from the project (est. 161,788 MWh) equates to the average power consumption of 34,000 homes in the local market.

8. FINANCIAL LITERACY AND INCLUSION

Financial inclusion – both access to banking facilities and the understanding of them – is a key enabler to boost our shared prosperity. In 2018 we focused in particular on improvements to our support for customers who may be vulnerable, on championing the use of plain English and on educating young people about banking and their own development. We will continue to focus on this area to ensure that all of our products and services are accessible and clear.

KEY HIGHLIGHTS

Winner

in three categories at the NALA Plain English awards

9

areas of vulnerability identified focusing our support for customers

c.35,000

basic bank accounts opened

Contribution to the Banking & Payments Federation Ireland – Safeguarding your Money Guide

2019 – LOOKING AHEAD

- Ongoing focus on our vulnerable customer supports
- Increased focus on use of plain English to improve clarity

Stakeholder Groups



Material Topics

- a** Making our services and products transparent to consumers
- e** Improving our customer experience and satisfaction levels
- k** Providing responsible services and products
- m** Our business culture and ethical behaviour



L–R: Declan Black, Managing Partner of sponsors Mason, Hayes and Curran, Dr. Laura Mackey, UCD, and Mike Gogan.

CASE STUDY

Crystal for Being Clear

Our use of Customer Language won in three of five categories at the Plain English Awards organised by NALA, the National Adult Literacy Agency.

We won the Best Impact of Plain English Award for a series of letters rewritten by Mike Gogan, AIB's Head of Customer Language. Mike was also awarded for being a Champion of Plain English for his work in training, writing and editing.

The third award was presented to our legal team, who were highly commended for clarity in a set of terms and conditions.

"They have won this award for thinking of the people who use their services and putting them first," Inez Bailey, CEO of NALA, said in congratulating the winners.

Mike had this to say: "Through good communication, customers get the sense that we do put them first."

9. SKILLS AND TRAINING

As work evolves, there is a growing demand for new practical and soft skills. Along with initiatives such as the AIB DataHack, we developed a Science, Technology, Engineering and Mathematics (STEM) work experience opportunity and enhanced our own graduate programme, while continuing to support third-level education institutions. We aim to prepare our own people and others for the workplace of tomorrow.

KEY HIGHLIGHTS

86

new graduates joined our business

Launch of Mentor Her and STEM Transition Year placement programmes

200

'hackers' participate in Datahack

2.4

average training days completed by our people

2019 – LOOKING AHEAD

- Recruitment of 100 new graduates
- Ongoing support of third level institutes

Stakeholder Groups



Material Topics

- f** Talent attraction, retention and development
- g** Employee engagement and satisfaction
- h** Providing business leadership and vision

CASE STUDY

Future Sparks and Build a Bank

In March 2018, we welcomed over 5,500 second-level students to the RDS in Dublin for the inaugural AIB Future Sparks Festival, igniting the dreams and ambitions of tomorrow's leaders. The event gave students the chance to hear from business leaders across a number of industries and disciplines.

Through inspiring panel discussions across four stages and over 20 exhibitors within an interactive career zone, the AIB Future Sparks Festival helped young people in attendance discover the power of their own potential. Featuring panel discussions from over 45 trailblazers across music, technology, marketing, food, sport and social entrepreneurship, we brought the best in business to spark conversation with students about their futures.

In recent years we have created programmes and events with an educational focus for second-level

students throughout the country. And, using social media platforms such as Snapchat, we meaningfully engaged with over 500,000 students in 2018.

The AIB Future Sparks Festival is supported by the Business Studies Teachers Association of Ireland (BSTAI) and the Design & Craft Council of Ireland (DCCOI).

2018 also marked the 16th year of the AIB Build a Bank challenge, with over 129 schools and 775 students participating. The national finals took place in the RDS on 21 March with 48 teams and over 1,300 students in attendance.

The 2018/19 Overall Winners were Confey College, Lexlip, who were recognised for their entry Martial Arts Bank Confey. The judges commented that this winning project was innovative and user-friendly and an impressive example of money management.

10. CUSTOMERS IN DIFFICULTY

AIB is committed to working with our customers in financial difficulty in order to reach sustainable solutions. We deploy a broad suite of forbearance solutions to enable customers to stay in their own homes and to keep viable businesses operating.

KEY HIGHLIGHTS

1,575

retail mortgage solutions agreed with customers

41%

reduction of NPEs year on year

c.35,000

customer financial health checks completed

2019 – LOOKING AHEAD

- Ongoing reduction of NPEs to c.5%

Stakeholder Groups



Material Topics

- d** Pricing our products and services fairly
- e** Improving our customer experience and satisfaction levels
- h** Providing business leadership and vision
- m** Our business culture and ethical behaviour

CASE STUDY

AIB, IMHO & iCare initiative

AIB, the Irish Mortgage Holders Organisation (IMHO) and iCare Housing have a joint initiative focused on keeping customers in their own homes who have financial difficulty with mortgage repayments and who qualify for social housing. Five-hundred-and-fourteen mortgage-to-rent cases have been approved across a number of financial institutions so far. This initiative has the potential to positively impact about 2,000 people.

If a customer's mortgage debt is deemed unsuitable following an affordability assessment, they may then qualify for mortgage-to-rent, which allows them

to stay in their own home while ownership transfers to iCare Housing. Any residual mortgage debt following the transfer is fully written off.

"This is a ground-breaking example of the private sector and the housing charity sector coming together to provide a practical sustainable solution to an acute social crisis." David Hall, CEO of the IMHO and iCare

 More can be found at www.icarehousing.ie
www.aib.ie/icare-housing
www.ebs.ie/icare-housing

OUR PEOPLE

We know that our people and our culture play a large part in regaining trust and our social to operate. In 2018, we took steps to embed our Purpose and modernise our workplace. We want to create an environment where employees are rewarded for both what they achieve and the way in which they achieve it.

KEY HIGHLIGHTS

72nd

percentile of employee engagement
– Gallup database

Roll out of our Purpose

86%

participation in our
Appreciate programme

Introduction of our
new career model

2019 – LOOKING AHEAD

- 40% female management population
- 30% female representation at Board

Stakeholder Groups



Material Topics

- b** Engaging with all our stakeholders regularly
- f** Talent attraction, retention and development
- g** Employee engagement and satisfaction
- h** Providing business leadership and vision
- m** Our business culture and ethical behaviour

CASE STUDY

AIB wins employer of the year 2018 at the Women in Finance Awards

The reward was in recognition of some results achieved in the last three years, including:

- Refreshed best-in-class people policies
- Unconscious bias training for more than 1,400 people leaders
- Ambitious gender targets set for Board and Senior Management representation of 30% and 40% respectively
- Agile ways of working implemented for employees
- We were the first Irish company to be awarded the Investors in Diversity Standard
- Launched 'Mentor Her', a successful mentoring programme
- International Women's Day celebrated in all locations as part of our annual Diversity and Inclusion (D&I) week in 2018, launching our Inclusion Pledge for 10,000 employees

Throughout this time we have also been contributing to the ecosystem of women in the workforce nationally through:

- 5+ years of sponsorship of Network Ireland, including sponsoring, hosting

- and judging the annual awards and supporting female business owners directly and indirectly with AIB representatives in each local Chapter of Network Ireland
- Launching a Women in Enterprise Academy and putting 250+ Female Business Owners through intensive training to 'Accelerating their Business Growth'
- A Female Business Owners Loan fund launched, increasing our lending to women-owned businesses from 33% to 50% in the last 12 months
- Partnering with the 30% Club promoting gender balance in Financial Services in Ireland

Our D&I focus extends beyond gender representation and we are focused on supporting our established resource groups for Pride, Women, Men, Roots, Abilities, and Families. We strive to have diversity of thought at all levels of management and decision-making for the benefit of our employees, customers and other stakeholders.

OUR COMMUNITIES

We have a key role to play in every community in which we operate. In 2018, we launched our community programme AIB Together, providing two volunteer days per year to employees and supporting our partners FoodCloud and SOAR. AIB Together will both complement and strengthen our people's long history of supporting worthy causes.

KEY HIGHLIGHTS

Launch of AIB Together – two volunteering days for every employee

GAA sponsorship extended by 5 years

c.3,000

volunteering hours recorded

€14m

community investment

2019 – LOOKING AHEAD

- 15,000 employee volunteer hours
- GAA ongoing support of club and county
- Expanding the AIB Art lending programme to education and healthcare facilities

Stakeholder Groups



Material Topics

- b** Engaging with all our stakeholders regularly
- e** Improving our customer experience and satisfaction levels
- g** Employee engagement and satisfaction
- h** Providing business leadership and vision

Participants at a SOAR workshop – Howth.

CASE STUDY

SOAR

One of our key charity partners, SOAR, is an organisation dedicated to young people and delivers early-intervention, preventative, wellness workshops for 12-to-18-year-olds from all backgrounds. Its workshops empower young people to thrive, believe in themselves and fulfil their potential. Within a safe and supportive environment, they can explore the challenges that hold them back.

SOAR has worked with over 31,000 young people since 2012 and in 2018, with AIB's support, increased its reach by 60%, working with over 7,000 teenagers in schools across Ireland.



CONCLUSION

We are agreeing and establishing clear targets for what we want to achieve as we build out our sustainability agenda, aligned with our Purpose and our four strategic pillars.

We will report further on our progress in H1 2020.

This is an ongoing journey and we recognise the shared value that doing it well can bring for our customers, our employees, our business and our communities; with both a financial and social impact.

If you have any comments or observations on what you have read in this report, we would like to hear from you. Please get in touch with us through any of our channels.



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