



Our Customers

We are working hard to hold our customers at the heart of everything we do. An in-depth knowledge of the needs of our customers is a good starting place. It brings efficiency to how we drive and shape products and services that customers want. Acknowledging what our customers want focuses our activities and helps them experience a better bank. We are making good progress with this customer focus but recognise that we have more to do.



Customer centric brand values

In AIB, our principal Brand Value is **'we put our customers first.'** This has been developed by our people and our customers. We want our customers to have a superior experience in each and every interaction with us. This means that we are understanding our customers because we listen to them, recognise their financial needs and offer them solutions that meet those needs. We are embedding this in the culture of our organisation and making it visible in everything we do.

The Voice of the Customer

feedback from over 50,000 customers

We sought feedback from over 50,000 of our customers in Ireland and the UK through our Customer Experience Programme. We have listened to our customers and as a result we are enhancing our interaction with them, creating and improving initiatives for them and giving them more choice and greater accessibility.



This is a journey, and the good news is that we are making progress. The primary tool we use to measure the success of this programme is our Net Promoter Score®¹. We want to improve these scores and we have seen real progress in what our customers have experienced in 2014.

Tailored offerings for distinct customer segments and sectors

We have enhanced our offerings for our different markets. Throughout 2014, we have undertaken distinct segment and sector initiatives which we believe are innovative and which improve our customers' experience of us.

Personal customers

AIB's goal is to be at the heart of our personal customers' financial lives while delivering exceptional customer experience. We have strong market shares in products for our personal customers in Ireland and we provided 60,000 personal loans in 2014. These propositions combine suitable products with informed relationship management that reach them consistently through all our channels.



We increased our lending significantly to our personal customers in the second half of 2014 as consumer sentiment and general economic conditions improved. In the Republic of Ireland, we lent €0.4 billion to personal customers, an increase of 29% year on year. We focused on new initiatives to make the process seamless for customers, which included online fulfilment for personal loans with a decision within three hours.

Youth market

We are focused on having a leading presence in the student market. We updated and improved our proposition, including a larger presence on campus in 15 universities and colleges in Ireland and a new student loan facility to help with education expenses. 2014 was the 13th year of the AIB Build a Bank Challenge, a national competition for second level students to run their own school bank. The AIB Student Plus Account was awarded the best value student account by bonkers.ie, the price comparison website.

Mortgages

For most people, buying their home is the biggest financial transaction of their lives. AIB is proud to have a leading market share of mortgage drawdowns in the Republic of Ireland, which demonstrates our support to customers during this important time for them. We supported c. 16,000 customers in gaining mortgage approval in Ireland in 2014. We also reduced our standard variable interest rate and our fixed interest rate products for new and existing mortgage customers in Ireland in 2014.

We want our customers to have access to specialist advice when making this important decision. We introduced mortgage advisors to our Irish branch network, who support customers throughout the mortgage application and approval process. The EBS brand re-emerged in 2014 with increased locations for mortgage consultations, including flexible meeting times to suit customers' needs.

AIB eMortgage is the first online mortgage application-to-approval proposition on the Irish market and it is gaining traction with our customers.

¹ The Net Promoter Score, or NPS® is a measurement program that tracks AIB customers' loyalty and advocacy.



AIB had a 33% market share of mortgage drawdowns in 2014 in Ireland with €1.3 billion in total drawdowns, a 34% increase on 2013.

Mortgage drawdowns in First Trust Bank in Northern Ireland increased by 42% year on year following an expansion of our suite of mortgage products.

Business customers



No.1 Bank

for Start-ups

c. 15,500 SME customer start-ups supported in 2014



Joint No.1 Bank

for main current account



No.1 Bank

for main loans



No.1 Bank

for main leasing agreement



No.1 Bank

for credit cards

AIB is committed to actively supporting economic recovery and job creation. We are doing this by backing entrepreneurs, early start-ups and established SMEs.

AIB has embedded its sectoral led approach, providing customers with leading sector specialists who understand the challenges and opportunities of their

industry and business. In partnership with industry bodies we have continued to commission in-depth research reports. To support our customers, we have also hosted nationwide sector specific seminars.

We have launched sector specific funds, including a €200 million Export Fund, €300 million Long Term Care Fund and a €350 million New Homes Development Fund. In addition, we launched a €500 million Agriculture Fund, underpinning our commitment to this sector.

In response to feedback from our business customers, AIB has rolled out a series of other initiatives to support this customer segment, including our 'Backing Brave' programme. This programme includes credit decisions for SME loans up to €30,000 within 48 hours. We have also introduced a dedicated SME phone desk which operates extended business hours and to support new entrepreneurs we launched a Start-up Academy.

In 2014 AIB approved €6.4 billion in business credit to the SME sector in Ireland, a 50% increase year on year.

In the UK, AIB GB was awarded "Best Service from a Business Bank 2014" by Moneyfacts Awards. This is in recognition of its relationship management proposition together with a focus on its customer service. New and additional lending in AIB GB increased 63% year on year to circa £1.3 billion. This underlines our focus on lending to the business market and our target market of owner managed businesses. In direct response to listening to the 'voice of our SME customers' in Northern Ireland we introduced two business funds, the Business Support Fund and the Owner Managed Fund.





Corporate customers

We continue to develop and strengthen our relationships with corporate and institutional customers by providing sectoral expertise, tailored financial solutions and a premium customer service.

Our sector specialist corporate banking teams work closely with our Customer Treasury Service and specialist product teams to ensure that we continue to strongly support our customers as well as the Irish economy. We provide a range of financing solutions to our customers from senior debt and working capital solutions through to mezzanine and equity finance.

In 2014, including the UK, lending to Corporate customers increased by 57% year on year.

The reshaping of our Corporate & Institutional Banking segment at the beginning of 2015 will enhance our mid-market and corporate offering and allow the UK and Irish businesses to collaborate more closely on opportunities.



Leading position
in Irish banking market



No. 1 bank to the Foreign Direct Investment (FDI) market.



Awarded 'Deal of the Year'
for the second consecutive year in the Loans & Financing Category of the Finance Dublin Magazine awards.

Customers in financial difficulties

We work with our customers who are in financial difficulty and help them bring stability and certainty to their situation. This has been a key area of focus during 2014. The Financial Solutions Group (FSG) has approximately 1,600 skilled staff dedicated to resolving the issues of customers in difficulty, who are further supported by their colleagues in the wider AIB branch network

AIB seeks to consensually resolve mortgage and SME arrears cases with customers who engage with the bank, based on an assessment of affordability. In support of our strategy the Group has developed what we believe is the most comprehensive suite of sustainable mortgage arrears solutions in the Irish market. We have further supported this agenda by establishing and funding a customer engagement channel in partnership with a consumer debt advocacy organisation that provides independent third party representation. This service is available free to customers in Ireland in mortgage difficulty. While we have much more to do to help our customers, this approach is working, with arrears in AIB's Republic of Ireland mortgage portfolio down 18% in 2014.

Significant progress is also evident in SME restructuring and we have developed and deployed a comprehensive customer treatment strategy for SME customers in difficulty with business and non-core connected debt. We have met or exceeded all of our restructuring targets in 2014.

The approach being taken in FSG to restructuring the debt of our customers in difficulty is fundamental to the AIB strategy of maintaining our relationship with our customers as they recover. Importantly the success of this strategy can be measured by the number of customers who have been offered and accepted affordable and sustainable solutions. Continuing to work with our customers in difficulty remains a key priority for the Group.



Omni channel delivery

AIB has an omni channel customer strategy which focuses on customer convenience and consistency. We are the leading Irish bank in driving mobile banking uptake and transaction automation. We are developing our capabilities across channels, putting technology to work for customers to interact with our banking services at a time and through a channel that works for them.

In 2014, customers continued to adopt our digital channels. Significant numbers of our customers in Ireland are active on AIB's online services, including c.520 000 active mobile users and c.100,000 active tablet users. Our customers completed 33 million transactions online in 2014 across internet, tablet, mobile and IBB. In our branch network, through ongoing adoption of technology, we have given customers a new way to bank with us through our 'quick banking' facilities.

The 'LAB' is an innovative digital banking location which allows us to test our digital concepts in a live environment with our customers. These have included concepts such as the eMortgage, SME online lending application, and more recently the Smartwatch, where feedback from customers helps shape product and services.

Adoption is not limited to transactional banking as customers embrace the omni channel sales experience. Currently, c.49% of key products¹ sold to personal and SME customers in the Republic of Ireland are conducted through AIB Direct Channels.

As a result of continuous investment in digital platforms, AIB received external recognition, winning the "Best Adoption of Social Media" at the CCMA awards, and the AIB Tablet banking app won the best financial services app at The Appys Awards and "Best Innovation in Financial Services" at the Digital Media Awards.

Our omni channel approach is also being adopted in the Northern Ireland and GB businesses as we move to a more consistent model across our markets.

In conjunction with our market leading digital channels, AIB continues to maintain the largest physical distribution network in Ireland with c.200 AIB branches, c. 70 EBS outlets and a joint venture with An Post with over 1,000 locations nationwide. In the UK, AIB has 16 business centres in Great Britain to service our SME and mid-corporate customers. We provide banking services through 30 branches and outlets under the trading name of First Trust Bank in Northern Ireland. The physical network coupled with AIB's robust offer of products and services in digital channels allow the bank to better serve our customers in a meaningful and effective way.

¹ Excludes current accounts