



# AIB Finance & Leasing: Leasing Life Conference, Paris

24<sup>th</sup> November 2016

Presented by: Kieran Marshall – Managing Director AIB  
Finance & Leasing

# Agenda

## 1. *Ireland's Market*

- *Ireland in Numbers*
- *Impact of FDI on Irish Economy*
- *Brexit's impact on Ireland*

## 2. *AIB Finance & Leasing: About Us*

- *Driving our commercial agenda*
- *Investment delivering*
- *Evolving nature of customer engagement*
- *AIB Finance & Leasing operating model*
- *Backing brave SME customers*

# IRELAND 2023

NARRATED BY LIAM NEESON

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# Ireland in Numbers: The Rise & Fall of the Irish Economy



Irish economy boomed 1993 - 2007 with **GDP up by over 250%** – "Celtic Tiger"



Very **severe recession** in Ireland in 2008-2009. **GDP fell by 8%, GNP down 10%**



**Collapse in construction activity & banking system** 2008 - 2010



**Severe fiscal tightening, high unemployment.** Ireland entered a 3 year **EU/IMF assistance programme** from 2010-2013



**After recession, GDP 25% higher than 2001**, indicating crash came after a very strong period of growth, unlike in other countries



**Aggressively tackled problems** in public finances, banking & property market. Imbalances in economy unwind (e.g. housing, debt etc.)



Ireland focused on **generating growth via its large export base** as the route to recovery



**GDP/GNP 2015 data distorted by corporate restructuring and trade reclassifications**



Domestic economy has recovered strongly, led by **rebound in investment & retail spending**. Core domestic demand av. **growth of 4%** in 2013-15. Budget deficit now **<1% GDP**, unemployment **7.5% Q4 '16**

# Impact of FDI on the Irish Economy

## Key FDI impacts on the Irish economy

- 1,200 multinational companies
- €125bn Exports (70% of Irish exports)
- 175,000 Jobs in FDI, 290,000 in total
- 70% of Corporation Tax
- €13.5bn Spending on services/materials
- €8.5bn in Payroll
- 67% of Business R&D expenditure

## World Leaders Choose Ireland

- 8 of the top 10 in ICT
- 9 of the top 10 in Pharmaceuticals
- 17 of the top 25 in Medical Devices
- 3 of the top 5 Games companies
- 10 of the 'top born on the Internet' firms
- More than 50% of the world's leading Financial Services firms



accenture

SIEMENS



Boston  
Scientific



facebook



Google



Microsoft



# Brexit causes some potentially significant problems

Brexit has serious implications for Ireland given the close economic and trade links with the UK. At present Irish trade with the UK equates to **35% of Irish GDP**, marking the UK as a clear key trading partner, specifically for **indigenous firms with the UK acquiring 43% of their exports**. It is without a doubt that a negative impact of Brexit on the UK economy will adversely impact Ireland. Below presents a high-level infographic to indicate key factors related to Brexit:





## 2. AIB Finance & Leasing: About Us





# Customer first strategy driving the commercial agenda

## Leading omni-channel and digital offering

- Largest distribution network in Ireland supported by digital innovation
- Reconfiguration of the physical franchise into 'Local Markets Model'

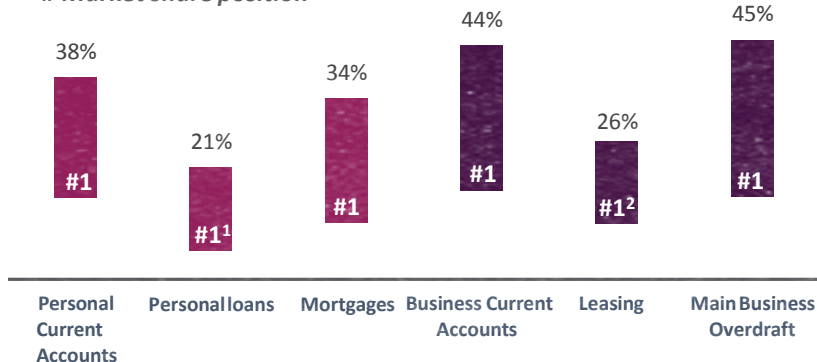


## Strategic multi-brand and proposition approach



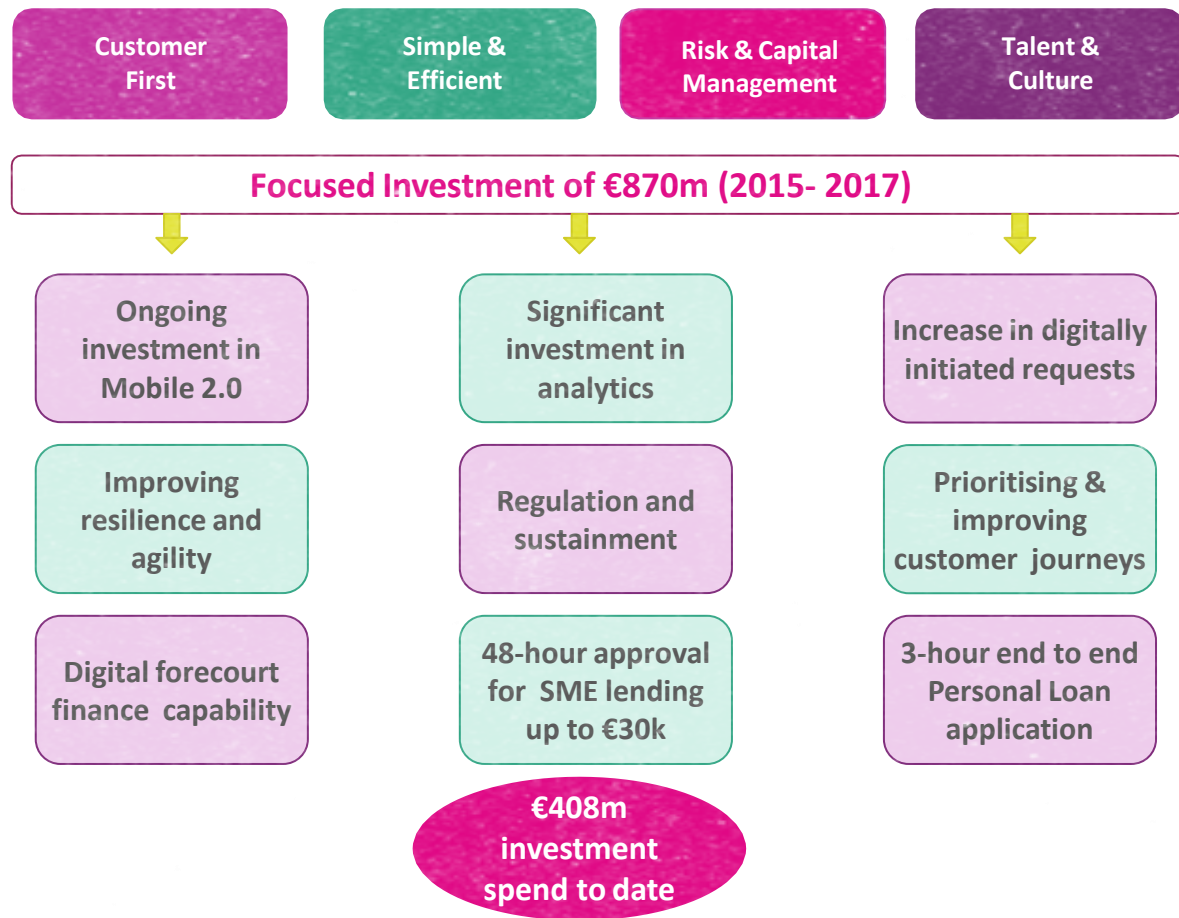
## Leading market shares in Ireland

# Market share position\*



\*Source: Ipsos MRBI, AIB Market Pulse Tracker Q3 2015 – Q2 2016 rolled

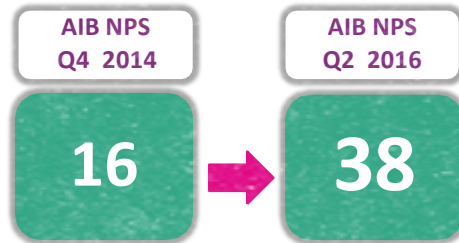
# Investment is delivering at a strategic level



## Delivering tangible outcomes

- Over **1 million** online users
- **578,000** active mobile users
- **95%** of customer transactions are automated
- **76%** of personal loan applications now through digital channels
- Market share of personal loans increased to **21% from 15%**
- **53%** of all credit card sales now through digital channels

## Transforming Customer Experience



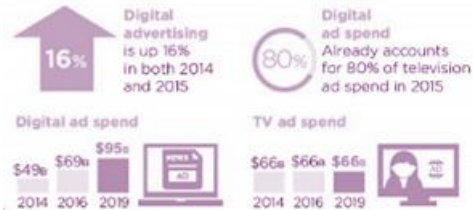
Increasing Net Promoter Scores

# Evolving nature of customer engagement

## 1. Digital Advertising to Overtake TV



Digital advertising is expected to become the biggest media category in 2016, overtaking television. TV spend, is projected to stay at current levels.



Mobile is expected to be the fastest growing advertising segment in 2016.

This channel already accounts for 35% of all digital spend



## 2. Mobile will be the fastest growing segment

## 3. Keep an eye on digital video



Digital video advertising has grown by more than a third-year-over-year and now accounts for \$5bn in spend.

35% yoy growth in digital video and spend

With a huge, mobile-first audience Facebook is set to benefit hugely from the projected rise in digital usage across devices.

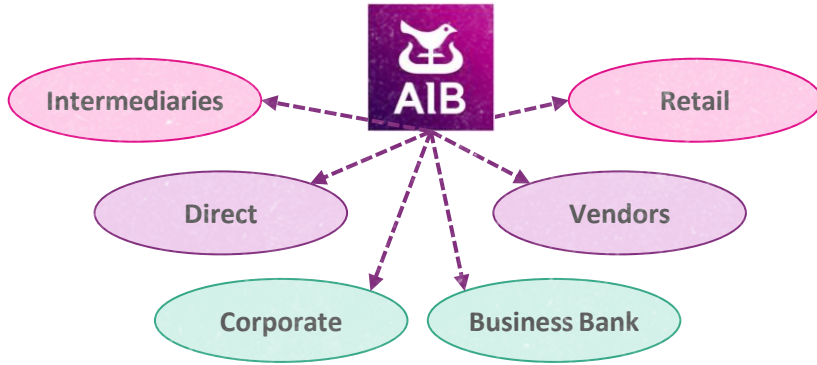
1 of every 6 mins spent on the internet are spent on Facebook. More than 1 of every 5 minutes spent on smartphones are spent on Facebook



## 4. Facebook is increasingly dominant

# AIB Finance & Leasing: Operating Model

Our business is delivered through our channel partners and vendors...

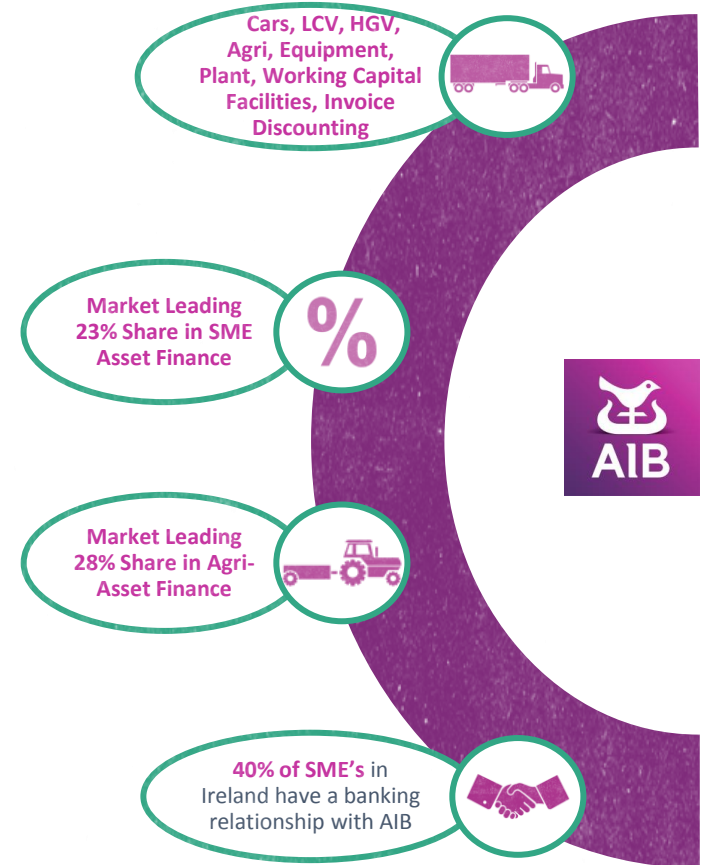


...supported by a nationwide Sales Team

Creating innovative solutions for our customers

Client / Customer focused service delivery

Operational Excellence & constant focus on improvement



# Irish Asset Finance Industry: New Entrants with increased traditional competition

Ireland is an attractive market again, Bank and non-Bank Asset Finance providers are jockeying for position – the environment is competitive!



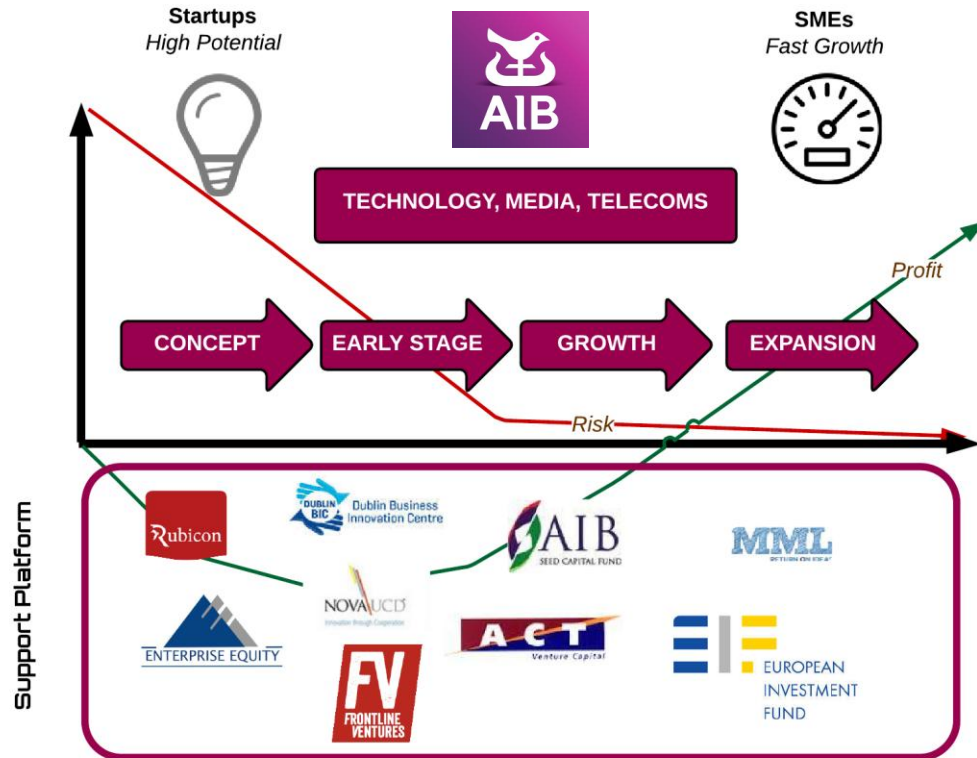




# AIB 'Backs Brave' SME Customers



AIB 'backs brave' SME customers through a diverse range of tailored SME-specific products;



**Start-ups**  
High Potential



**SMEs**  
Fast Growth

## Support Platform

- Transaction Banking
- Merchant Services
- Start-up Loan
- Overdrafts
- Senior Debt
- Mezzanine
- Finance & Leasing
- Trade finance
- Treasury Services
- Corporate Finance

# Thank you

## Any Questions?

