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AIB GROUP PLC 2025 ANNUAL RESULTS

AIB announces profit after tax of €2.1 billion and total distributions of €2.25 billion

“I am pleased to announce another strong financial performance for 2025 in what was a landmark year for AIB. We are successfully executing our strategy supported by a resilient Irish economy, a growing customer base and accelerating technological change. The Group reported profit after tax of €2.1 billion, a 25% return on tangible equity and a CET1 ratio of 16.2%. Customer deposits increased 7% to €117.2 billion, gross loans reached €72.3 billion and new lending amounted to €14.7 billion, of which 43% was green. This strong financial position enables both continued investment in our business and the delivery of attractive shareholder returns with total distributions of €2.25 billion for the year, including a near 60% increase in the full year cash dividend and a regulatory approved share buyback of €1 billion launching today.

Notwithstanding geopolitical uncertainty, our focus remains on completing the final year of our current strategic cycle and planning for the future with confidence, underpinned by the trust placed in us by our 3.4 million customers and their communities whilst delivering sustainable returns to our shareholders.”

– Colin Hunt, Chief Executive Officer

KEY HIGHLIGHTS

Financial highlights: (all comparisons FY 2024 unless otherwise stated)

- Strong financial performance ahead of expectations
 - Profit after tax €2,139m; EPS 93.3c; RoTE⁽¹⁾ 25.0%
 - RoTE in FY 2026 is expected to be > 20%
- Total income decreased 8% primarily driven by lower interest rates, as expected
 - Net interest income (NII) of €3,748m down 9% as expected
 - Total other income was €756m; Net fee and commission income up 4% to €692m
- Total distributions of €2.25bn; payout ratio 105%
 - Total ordinary cash dividend of €1.25bn or 58.585c per share (2024: 36.984c)
 - €988m⁽²⁾ proposed final ordinary cash dividend of 46.257c per share
 - €263m interim cash dividend of 12.328c per share paid in Nov 25
 - €1.0bn regulatory approved share buyback programme launching today
- CET1 ratio of 16.2% (Dec 24: 15.1%) ahead of regulatory requirements
 - Strong organic capital generation of c. 370bps supporting distributions
 - Mortgage SRT completed in Dec 2025; c. 25bps benefit

- Costs⁽³⁾ increased 1% to €1,992m, lower than expected; cost income ratio (CIR) of 44%
- ECL charge of €172m representing 24bps cost of risk; 1.6% ECL cover
- Gross loans increased 2%, or 3% on an underlying basis, to €72.3bn (Dec 24: €71.2bn)
 - New lending up 2% to €14.7bn, of which 43% was green and transition lending at €6.3bn
 - Mortgage market share 30%⁽⁴⁾
- Strong and diversified funding with 7% increase in customer deposits to €117.2bn (Dec 24: €109.8bn)
- The Group returned to full private ownership in June 2025 and in October 2025 cancelled the IPO warrants bringing total returns to the State to c. €21bn⁽⁵⁾

Strategic highlights: Continued progress across our three strategic priorities

- Customer first: developing more enduring relationships with our 3.4 million customers
 - Improving NPS scores: of our six key customer journeys five saw further improvement in 2025 (SME Aggregated (69), Channel (62), NI Transactional (55), Personal (41), Retail SME (29)) and the sixth, Homes (66), held steady on an already record-breaking score
 - Abi, our AI-powered digital assistant, on average dealt with 5,208 calls per day and is now active on 66 customer journeys
- Greening our business: mobilising capital to support climate action
 - €22.9bn or 76% of our €30bn Climate Action target has been deployed since 2019
 - In 2025 we supported c. 9,000 customers to buy their first home
- Operational efficiency and resilience: investing in capabilities, capacity & resilient platforms
 - Invested in our cloud architecture to enable scalable, secure banking; >99.99% IT service availability across critical customer services was achieved in 2025
 - Progress made on removing organisational complexity: 40% reduction in legal entities, 12 legacy applications decommissioned reducing IT storage and c. 25% reduction in postal correspondence; all completed on time
- Completed the sale of our minority shareholding in AIB Merchant Services

2026 Guidance:

- NII is expected to be c. €3.8bn
- Other income is expected to be > €750m
- Costs expected to increase by c. 2%
- Cost of risk (CoR) expected to be within the range of 20-30bps
- Bank levies and regulatory fees are expected to be c. €140m
- No material exceptional items expected
- Customer loans are expected to grow by c. 5%
- Customer deposits are expected to grow by 2-3%
- RoTE is expected to be > 20%

Medium-term targets (2024-2026) continue to guide the business and will be refreshed for our next strategic cycle

- RoTE of 15%
- CET1 > 14% with a buffer over MDA of at least 250bps
- Absolute cost < €2 billion with a CIR of < 50%

FINANCIAL PERFORMANCE

Underpinned by resilient income, the Group delivered a strong performance with profit after tax of €2,139m and a RoTE of 25.0%.

Net interest income of €3,748m (2024: €4,129m) decreased by 9% as expected primarily due to lower interest rates partially offset by an increase in average volumes. Net interest margin (NIM) was 2.73% (2024: 3.16%) and the deposit beta was c. 20%. Q4 2025 exit NIM was 2.69%. NII remained resilient throughout the interest rate cycle, supported by growth in both loans and deposits and proactive balance sheet management. Having passed a low point in Q2 2025, NII has now returned to growth. For 2026 we expect NII of c. €3.8bn based on rate assumptions of an ECB deposit rate of 2.00% throughout 2026, a BOE rate of 3.25% at December 2026 and a deposit beta of c. 20%.

Other income of €756m (2024: €779m) decreased by 3% as higher fee and commission income was mainly offset by lower equity investment gains and non-recurrence of income relating to a forward contract for the loan acquisition of Ulster Bank tracker mortgages in 2024. Net fee and commission income increased by 4% to €692m (2024: €666m) primarily reflecting higher card, wealth and insurance income partially offset by lower foreign exchange income. For 2026 we expect other income of > €750m.

Operating costs were lower than expected at €1,992m (2024: €1,971m), up 1% reflecting the impact of inflation and higher opex-related investment spend partially offset by lower variable pay allowance and lower average staff numbers. FTE numbers reduced by 3% to 10,207 (2024: 10,469) driven by natural attrition. The cost income ratio was 44% (2024: 40%). For 2026 we expect costs to increase by c. 2%. As we accelerate our digitalisation, enabling faster innovation, scalability and enhanced security, we are increasing our investment spend to c. €400m on average per annum.

Credit quality remains robust. There was a net credit impairment charge of €172m representing 24bps cost of risk (2024: €55m charge; 8bps CoR). This was driven by a €224m net charge predominantly in wholesale lending partially offset by a €52m writeback due to improved macro-economic assumptions. Our approach remains conservative, comprehensive and forward-looking and is reflected in an ECL coverage rate of 1.6%. For 2026 we expect CoR within the range of 20-30bps.

Bank levies and regulatory fees of €114m decreased by €24m (2024: €138m) due to confirmation that no payment was required for the Deposit Guarantee Scheme as the scheme has currently reached its target funding level. For 2026 we expect bank levies and regulatory fees to be c. €140m.

Exceptional items were €156m of a gain (2024: €66m cost) primarily due to a gain from the sale of our minority stake in AIB Merchant Services to joint venture partner Fiserv, Inc.

CUSTOMER LOANS

Gross loans increased €1.1bn (+2%) to €72.3bn (Dec 2024: €71.2bn) driven by underlying growth of €2.4bn (+3%) as new lending of €14.7bn exceeded redemptions of €12.3bn. Growth was negatively impacted by adverse FX movements of €0.9bn and deleveraging of €0.4bn. We expect customer loans to grow by c. 5% in 2026, our pipeline is strong and our expectation of a c. 5% CAGR to 2027 remains intact.

Total new lending increased by 2% to €14.7bn (2024: €14.5bn).

AIB's new mortgage lending in Ireland was €4.3bn (2024: €4.5bn) resulting in a mortgage market share of 30%⁽⁴⁾. AIB is the leading direct-to-customer mortgage provider with 46% market share. Personal lending in Ireland was up 4% to €1.4bn as consumer credit demand continued to increase and 88% of personal loan applications were applied for digitally. New lending to SMEs in Ireland remained relatively stable at €1.6bn with two thirds of small business loans originated on our digital business loan platform whilst automation has reduced 'time to cash' by 44%.

In Capital Markets, new lending was up 5% to €4.6bn. The growth in new lending was driven by corporate lending and some recovery in real estate new lending from a low prior year period.

Climate & Infrastructure Capital delivered new lending of €1.6bn of which 65% was in Europe and the UK. We continue to finance the transition to renewable energy and social infrastructure.

UK new lending of £1.7bn (2024: £1.2bn) was driven by strong corporate and property lending as we continue to focus on our chosen market sectors such as residential investment.

Green and transition lending of €6.3bn accounted for 43% of new lending with €22.9bn deployed since 2019 as we continue to support our customers to transition to a more sustainable future. Green mortgages represented 60% of new mortgage lending (2024: 52%).

NPEs reduced by 20% to €1.6bn or 2.2% of gross loans (Dec 24: €2.0bn or 2.8% of gross loans) as redemptions and disposals of €1.0bn were partially offset by net inflows of €0.6bn. Asset quality remains resilient and we continue to carefully manage the loan book.

FUNDING & CAPITAL

Strong funding and capital ensure AIB is well-positioned for sustainable growth. Customer deposits increased significantly by €7.4bn or 7% to €117.2bn with 93% of accounts ROI-based (Dec 24: 92%). Customer deposits are expected to grow by 2-3% in 2026. The Group has strong funding and liquidity ratios with LDR of 61%, LCR of 204% and NSFR of 163% at Dec 2025 (Dec 24: LDR 64%, LCR 201% and NSFR 162%).

The Group completed five MREL issuances in 2025 consisting of €700m AT1, \$750m and €800m green senior non-preferred bonds and €1bn green Tier 2. Our MREL ratio at Dec 2025 increased to 35.2% of RWAs, well in excess of our requirement of 28.5% for 2026. Total proceeds raised from ESG bonds to date stand at €8.2bn.

Capital remains robust and well ahead of minimum regulatory requirements. The CET1 ratio at December 2025 was 16.2% (Dec 24: 15.1%). The main drivers of the CET1 movements were:

- Strong organic capital generation (c. +370bps) supporting distributions of:
 - Interim ordinary cash dividend of €263m paid in Nov 25 (c. -50bps)
 - Proposed €988m⁽²⁾ final ordinary cash dividend (c. -170bps)
 - Regulatory approved on-market share buyback €1.0bn (c. -170bps)
- Basel IV reduction in RWAs (c. +120bps)
- DTA utilisation (c. +40bps)
- Cancellation of IPO warrants €390m (c. -70bps)
- Other equity and RWA movements (c. +40bps) including the RWA benefit from a mortgage SRT and the sale of AIB Merchant Services offset by AT1 coupon and other equity items

Other factors expected to impact capital over the medium-term include IRB model adoption and the continuation of our SRT programme.

Shareholder distributions of €2.25bn equate to a total payout ratio of 105%

- A final ordinary cash dividend of 46.257c per share, equating to €988m⁽²⁾, has been proposed and is subject to shareholder approval at our AGM on 30 April 2026. This is in addition to the €263m dividend paid in November 2025. Total ordinary cash dividend of €1.25bn or 58.585c per share
- Launching a €1bn regulatory approved on-market share buyback programme

Separately it is our intention to seek shareholder approval at the 2026 AGM to launch a follow-on Odd-lot offer to smaller shareholders in response to requests from shareholders at the 2025 AGM.

SUSTAINABILITY

In AIB we are empowering people to build a sustainable future. Greening our business is a strategic priority for AIB. Some of the highlights of 2025 across each of the ESG categories were:

Environmental

- €22.9bn in green and transition lending since the Climate Action target launched in 2019 including €6.3bn in 2025 (43% of new lending)
- We continue to make significant progress on reducing our operational emissions; 92% of our own electrical energy needs are now sourced through our VPPA from two solar farms in Co. Wexford

Social

- We have supported c. 19,000 customers to buy their first home with €5.4bn of new lending going to first-time buyers since 2024, progressing well towards our > €6bn target by 2026
- AIB's financial advisers undertook over 34,000 financial planning consultations, underpinning our focus on financial wellbeing and literacy for all customers.

Governance

- 42% of our management roles⁽⁶⁾ are held by women, maintaining our gender balance
- The Group returned to full private ownership in June 2025

OUTLOOK

Notwithstanding geopolitical uncertainty, we remain focused on delivering our strategy while preparing for the structural forces shaping our operating environment, including demographic change, electrification and digitalisation. In 2026 we will launch our next-generation mobile app and introduce industry-wide peer-to-peer payments through Zippay. With a strong capital base, a clear strategic ambition and a deep sense of purpose, AIB is well positioned to support our customers, the communities we serve and the Irish economy, while delivering sustainable long-term value for shareholders.

Following a strong start to the year and with continued momentum in our business, we remain focused on completing the final year of our current strategic cycle and planning for the future with confidence.

Further detail is provided in the 2025 Annual Financial Report which can be found on our website at [AIB Results Centre 2025](https://www.rns-pdf.londonstockexchange.com/rns/2191V_1-2026-3-3.pdf) or click here to view: https://www.rns-pdf.londonstockexchange.com/rns/2191V_1-2026-3-3.pdf

Analyst presentation

Colin Hunt, CEO and Donal Galvin, CFO will host a presentation via webcast and conference today at 09.00GMT, details available at [AIB Group plc Annual Financial Results 2025](#)

Glossary:

EPS: Earnings per share; RoTE: Return on tangible equity; FTE: Full-time equivalent

SRT: Significant risk transfer; MDA: Maximum distributable amount

LDR: Loan to deposit ratio; LCR: Liquidity coverage ratio; NSFR: Net stable funding ratio

NPS: Net Promoter Score, a measure of customer experience

Notes:

- 1) $RoTE = (PAT-AT1)/(CET1 @ 14\% \text{ of RWAs})$
- 2) Final proposed dividend amount is based on the aggregate number of shares currently outstanding; Dec 25 shares in issue: 2,136,766,718
- 3) Costs before bank levies and regulatory fees and exceptional items
- 4) Source: Mortgage drawdowns BPF1 for Dec YTD 2025
- 5) Total proceeds returned to the State of c. €21 billion includes levies of c. €650 million and other fees
- 6) The Equileap annual Gender Equality Global Report & Ranking equates 'gender balanced' with between 40% and 60% women

Figures presented above may be subject to rounding and thereby may differ to the 2025 Annual Financial Report

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For further information, please contact:

Group Investor Relations & External Communications

Niamh.a.Hore@aib.ie

Tel: + 353 86 313 5647

Investor Relations

Siobhain.m.Walsh@aib.ie

Tel: + 353 87 3956864

External Communications

Will.r.Goodbody@aib.ie

Tel: +353 86 8502204

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, 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 17 to 18 in the 2025 Annual Financial Report. In addition to matters relating to the Group's business, future performance will be impacted by the Group's ability along with governments and other stakeholders to measure, manage and mitigate the impacts of climate change effectively. Future performance could also be impacted by macroeconomic uncertainty, tariffs, geopolitical tensions and global conflict. 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 17 to 18 of the 2025 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.