

## Chief Executive's Review

# Progress with purpose



“AIB aims to be the bank of choice in Ireland, building trust and demonstrating reliability, capability and adaptability while also providing savings, investment and protection choice, in a modern, digital-first way.”

**Colin Hunt**  
Chief Executive Officer

I am pleased to present another strong set of financial results for 2025, as AIB executed its strategy in an environment marked by evolving geopolitical dynamics, stabilising interest rates and rapid technological advancement.

Our expanding customer base, the strength of our balance sheet and the momentum across our business delivered a robust financial performance for the year. Profit after tax was €2.1bn, return on tangible equity (RoTE) exceeded our target at 25% and our CET1 ratio of 16.2% remained well above regulatory requirements.

This strong capital position supported by ample funding provides significant strategic flexibility for the Group. It enables us to continue to serve our customers, supporting the Irish economy, investing in our business, and delivering attractive returns to shareholders. Subject to shareholder approval, we will pay a final ordinary cash dividend for the year of 46.257c per share, equating to c. €988m, and launch a €1bn share buyback programme.

Our market leading franchise remains a clear differentiator. Operating in a resilient and open domestic economy, we serve 3.4 million customers, maintain the country's largest branch network, and benefit from a highly recognised and trusted brand. Customer deposits for the year grew by 7% to €117.2bn at the end of 2025, gross loans increased by 3% on an underlying basis and reached €72.3bn, and new lending was €14.7bn. As interest rates stabilised during the year, our net interest income was over €3.7bn with a net interest margin of 2.7%.

We further strengthened our balance sheet by reducing our non-performing exposures (NPEs) by 20% during the year to €1.6bn, resulting in an NPE ratio of 2.2%.

Other income for the year was €756m with fee and commission income at €692m, up 4% and reflecting in some part the sustained progress of our savings, investments and protection offerings. Having re-introduced core wealth capability to the Group in recent years, our Goodbody and AIB life businesses provide a platform for long-term growth in fee-based income and revenue diversification while adding customer choice and value. Assets under management for the Group in 2025 amounted to €18.3bn (€16.8bn in 2024).

Costs for the year amounted to €1.99bn, an increase of 1% on the previous year and beating expectations. Our cost income ratio was 44% in 2025. We will maintain our laser focus on cost discipline as a core driver of sustainable performance.

### Customer first

AIB aims to be the bank of choice in Ireland, building trust and demonstrating reliability, capability and adaptability, while also providing savings, investment and protection choice, in a modern, digital-first and easy-to-use way, that provides security for the future, conveniently. We are also here to support infrastructure and housing development to accommodate a growing population, with an emphasis on large-scale renewable energy and social infrastructure projects.

## Our journey timeline

### 2010 State support

Following the financial crisis, the Irish State recapitalised AIB to safeguard customers and the economy; we simplified the business and reduced risk.

### 2017 IPO

AIB returned to public markets, marking a milestone in recovery and beginning the State's orderly sell-down.

### 2017-2025 Staged sell-downs

Consistent implementation of our strategy and stronger capital generation supported successive share placements and buybacks, progressively reducing the State's shareholding.

### 2025 Full private ownership

On 17 June 2025 the State completed its exit.



## Built for the future

# A new, next generation app in 2026

True innovation means enabling customers to bank when and where they want to, simply, efficiently and securely. Our mobile app sits at the heart of this. To ensure our app evolves along with our customers' needs, we are investing significantly to deliver a new, next-generation app in the second half of 2026, built for the future with modern cloud architecture, enhanced security and modular design. Our new app will empower customers with their own data and personalised insights to help them with their day-to-day banking, supporting them to make financial decisions, with AIB as a trusted partner.

# 2.2 million

of our customers choose this channel

In 2025, our continued efforts to improve efficiency through automation and simplification led directly to an enhanced customer service experience. Key examples of this are in our Customer Engagement Centre (CEC). Our digital assistant Abi has used artificial intelligence (AI) to support over 1.33 million customers since its initial roll out in December 2024, and is now active on 66 customer journeys (56 at year end 2025; 8 at year end 2024), facilitating an average of c. 5,200 calls a day. Importantly, when informed that they will be dealing with a digital assistant, 79.5% of customers chose to continue to engage Abi. We also rolled out AI-powered speech analytics that gives us detailed insights into the types of calls being received, which allows us to address customer needs with targeted initiatives.

Our digital offerings continue to be the preferred channel for both personal and business customers to engage with us – particularly our mobile apps. During 2025, personal customers interacted via the app an average of 3.14 million times per day, while 88% of loan applications were made online. We materially completed the delivery of SEPA Instant in October, meeting demand for speed and convenience while aligning with European regulatory standards.

Ongoing investment in our branch network as part of the Greener Branches Refurbishment Programme is a key element of our ambition to decarbonise our own operations and ensure that our physical footprint remains progressive, energy-efficient and welcoming to our customers and the communities we serve. The €40m programme of investment announced in 2024 included upgrades to 127 AIB branches, with 35 undergoing full refurbishments (including 26 in 2025 alone), delivering modern banking halls, clear interaction spaces, increased accessibility for the visually impaired and enhanced privacy for customers.

In a highly competitive mortgage market, the Group retains an overall market share of 30% and is the primary direct-to-consumer mortgage provider in Ireland, with a 46% share of that market. Total mortgage lending across our brands in Ireland was €4.3bn for the year. Our commitment to supporting Ireland's housing needs is steadfast. In 2025, we provided €0.9bn to fund significant residential developments, including social and affordable homes, helping to increase the number of units being built. We are ready and willing to provide even more financing and bolster much needed housing supply for all, as outlined in the Government's housing plan, 'Delivering Homes, Building Communities'.

We continue to see growth across our savings, investments and protection businesses – Goodbody and AIB life – reflecting customers' increasing confidence in the value, clarity and choice we provide to help them plan for the future and for the unexpected. Goodbody's wealth business saw steady growth in 2025 and AIB life continues to gain market share. Our network of 130 Financial Advisors guided over 34,000 customers to consider their financial wellbeing and goals during the year, while AIB life policy holders amounted to c. 56,000 at year end.

Underlying all of these initiatives is our ongoing customer segmentation work, aimed at improving our customer data and analytics so that we can know every element of our customer base better, understand them and anticipate their needs. This customer segmentation programme allows us to provide more tailored support by way of propositions, services, and communications, building resilience into our market share across key segments and, importantly, building trust with our customers. It is also a key enabler of our digitalisation strategy.

These efforts contributed to another year of excellent customer advocacy, with continued strength in our Net Promoter Score (NPS) performance. Of our six key customer journeys, five saw further improvement in 2025 (Personal (41), Channel (62), SME Aggregated (69), NI Transactional (55), Retail SME (29)) and the sixth held steady on an already record-breaking score (Homes NPS (66)). These numbers evidence the trust customers place in AIB every day.



## Greening our business

I continue to believe – and the Group continues to demonstrate – that we can do well while doing good. At year end 2025, we had provided a total of €22.9bn in green and transition finance, tracking ahead of target. In the year alone, we provided €6.3bn in green and transition finance, a 23% increase on 2024 and representing 43% of all new lending.

The most encouraging element of this lending is green mortgages, where energy-efficient houses and apartments are attractive to both build and to buy. AIB is a trusted green mortgage provider, with 62% of all new mortgage lending going to energy-efficient homes in 2025 – 60% when including the UK – meaning thousands more people are living in warmer, healthier and cost-effective homes.

Helping customers purchase their first home is a strategic priority from a societal perspective. €2.6bn of new lending went to first-time buyers in 2025, supporting c. 9,000 customers. This brings our lending to first-time buyers over the past two years to €5.4bn in total, progressing well towards our goal to provide €6bn by the end of 2026.

## Chief Executive's Review *continued*



### Sustainable economic growth

## Financing renewable energy and community impact

Our Climate & Infrastructure Capital division continues to actively support customers financing the transition to a greener future. €46.7m, of a €140m total term loan, was provided to Derrinlough Wind Farm in 2025, with AIB acting as both Agent and Account Bank. This wind farm, located in Co. Offaly, is a flagship renewable energy project developed by BnM. The project provides an installed capacity of 126 MW, sufficient to supply clean electricity to approximately 68,000 homes annually.

Derrinlough Wind Farm DAC makes annual contributions of €2/MWh (per Loss-Adjusted Metered Generation) into the Community Benefit Fund which supports local community groups, non-profit organisations, and social enterprises.

# €54.7m

Total facilities committed

For SMEs, farmers, charities and community organisations, we launched the Business Sustainability Loan in July. Over 50% of applications to date have come from the agricultural sector, showing its relevance and flexibility.

In our own business, we continue to make progress towards our 2030 ambition to decarbonise our own operations. Additionally, 92% of our own electrical energy needs is now sourced through our VPPA from two solar farms in Co. Wexford. We continue to embed sustainable practices, attitudes and governance in our operations and culture.

Importantly, we are empowering large-scale, infrastructural change around the world. While 2025 was an unpredictable year in terms of global development and political sentiment towards climate action, our Climate & Infrastructure Capital loan book nevertheless grew, and opportunities in our key markets remain strong.

We also issued three green bonds in 2025, amounting to €1.8bn. Our Green Bond Framework covers projects in renewable energy, green buildings, clean transportation, the circular economy and waste management. Since 2020, we have issued nine green bonds, raising €6.45bn – increasing to €8.2bn in ESG bonds when social bonds are included too.

In terms of social value, our branch network allows us to reach communities the length and breadth of the island of Ireland. This is particularly evident in our support of the GOAL Mile at Christmas, which continues to grow in popularity and presence in towns and neighbourhoods nationwide, helped in no small way by our own branch managers who run GOAL Miles in their localities. In wider community initiatives, our continued sponsorship of the GAA places us at the beating heart of Ireland, while the AIB Community Meals programme, run by our long-standing Charity Partner FoodCloud, provided 52,100 meals to those who need it, rescuing 2,672 tonnes of surplus food in 2025.



### Operational efficiency & resilience

Our focus on operational efficiency and resilience continued to produce transformative and enduring results for the Group in 2025. During the year, we accelerated the adoption of AI and automation across core processes and further reinforced our resilience and business continuity frameworks while also progressing a more dynamic approach to workforce planning.

We continue to invest in our technology architecture, reflecting the critical role that secure and scalable systems play in enabling AIB's long-term success. This investment allows us to accelerate the modernisation of our technology estate, strengthen our cyber and operational resilience, and deploy advanced digital capabilities that improve service reliability and customer experience.

The Group is laying the groundwork for AI integration, with early investments in data infrastructure and governance frameworks. This will be essential in addressing the emergence of new technology, which is extraordinarily fast paced. In the short term, I see AI very quickly helping us to eliminate complexity and enable colleagues to focus on what matters most for our customers.

During 2025 we invested in our cloud architecture as part of our scalable backbone to enable secure banking. We established a third data centre in the cloud for on-demand capacity and faster provisioning, accelerating development and testing, boosting delivery speed and reliability. At the same time, we also reduced our physical data centre footprint by 20%.

We closed 2025 with 99.99% service availability for mission critical services – the highest in the Group's history and achieved in the most demanding operating environment we have faced during the busiest year in terms of change delivery. Building on last year's strong outcome (99.98%), this included our most successful December on record.



## Dynamic Workforce Planning

### Shaping our workforce for the future

Dynamic Workforce Planning (DWP), is a transformative enterprise-wide programme designed to ensure our organisation has the right capability, in the right places, at the right times, by introducing a future-focused and data-driven approach to workforce planning. It enables leaders to anticipate organisational needs, identify skill gaps early, and plan for the workforce of the future by combining predictive analytics, strategic planning frameworks, and people insights.

Through ongoing business area roll outs in 2025, 67% of our workforce are covered by models and scenarios, aligning workforce planning with business strategy.

#### Covers

# 67%

of our workforce

We have a very sharp focus on resilience in terms of anticipating, preparing for, and protecting the bank and our customers, against an increasingly complex threat landscape. In 2025, we brought previously separate resilience capabilities into a single, unified model; the establishment of a new Resilience Fusion Centre accelerates this transformation, enabling a more predictive, intelligence-led approach to integrated resilience. I am looking forward to reporting further on this area, in which AIB aims to be world class.

Empowering all of this technological infrastructure is, of course, our people, along with our culture and our values.

The AIB brand and our strong Employee Value Proposition (EVP) continue to attract quality talent. Using dynamic workforce planning, we are aligning skills, capacity and organisational design with the evolving needs of our business and customers. Our 3,000 people leaders play a vital role in steering the organisation, and in 2025 we engaged and inspired this group via our New Era Leadership training, including a day-long, in-person Leadership Summit in September.

## Outlook

A transforming world has transforming needs. While focusing on delivering our current strategy in the year ahead, we are also mindful of our long-term external context, ensuring we can adapt to the emerging trends that will affect our business. In this regard, there are three dynamics – or ‘mega-trends’ – that we are most alert to.

Firstly, ageing demographics. Ireland is currently experiencing sustained population growth, underpinned by net inward migration meaning the country benefits from a younger, expanding and more dynamic workforce. However, the old-age dependency ratio – a demographic indicator that shows how many older people (typically aged 65+) are supported by the working-age population – is projected to rise from 23% in 2023 to 55% by 2065.<sup>1</sup> This will add strain on our workforce, public finances, healthcare, and pensions, while increasing the potential for the Group’s savings and investment propositions.

In that respect, we continue to see extraordinary potential in the second trend: the green transition and associated electrification. Investment in global energy transition has exceeded \$2tn, more than doubling since 2020,<sup>2</sup> and sustainable finance is now well and truly mainstream. The future of infrastructure is green.

The third trend is digitalisation, which has seen a surge in recent years and creates great opportunity for our sector. It is anticipated that Generative AI will drive significant additional value to global banking. While AI’s full scale and implications can not be determined at this stage, it is at least poised to boost productivity in customer service, risk, compliance, and automation.

Against this dynamic backdrop, we are focused on completing the final year of this strategic cycle and planning for the future with confidence. Our next generation app, launching in 2026, will play its part. It will empower customers with their own data and insights to help them with their day-to-day banking and support them to make financial decisions. While the roll out of this app will take place in second half of the year, customers will shortly benefit from the launch of Zippay, the industry-wide peer-to-peer payments solution.

2026 will also mark AIB’s 60th anniversary, and we intend to commemorate our journey so far by sharing the stories, values, and moments that have shaped our lasting impact on Irish society, our customers, and our colleagues, bringing our heritage to life in a meaningful and accessible way.

As we honour this important milestone, we remain firmly focused on building a simpler, smarter and more sustainable bank for our customers and the communities and economies we support. With a strong foundation, clear strategic ambition, and a deep sense of purpose, we will continue to support our customers and generate value for all our stakeholders – helping them succeed in the years ahead as we empower people to build a sustainable future.

### Colin Hunt Chief Executive Officer

3 March 2026

1. Source: Central Statistics Office

2. Source: Bloomberg New Energy Finance (NEF)