

Chair's Statement

The right strategy for long-term success



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Jim Pettigrew
Chair

2025 - AIB's watershed year

By any measure, 2025 will be remembered as a watershed year for AIB as the Group returned to full private ownership, the Irish State was repaid its investment in the Group dating back to the global financial crisis and the obligations under the Relationship Framework Agreement with the Minister for Finance were retired. These events conclude what was a very regrettable period for the Group when it had to rely on the State for support. AIB owes an immense debt of gratitude to Irish taxpayers for the support provided throughout that challenging time.

2025 was also a further year of strong performance and profitability, which saw the Group generate net interest income of €3,748m despite falling interest rates in the eurozone in particular. Profit after tax amounted to €2,139m (2024: €2,351m) resulting in earnings per share of 93.3 cent (2024: 92.5 cent). I encourage you to read our Chief Executive's review of performance on pages 8 to 11 for further detail.

Capital, dividend and other distributions

We understand the importance, for many of our stakeholders, of generating and maintaining strong levels of capital. Our medium-term target is to maintain our level of CET1 capital above 14%. While we commenced the year with 15.1%, our business generated organically, a further c. 370 bps of CET1 during 2025, which supported the following distributions.

I was delighted when the Board agreed in July to reinstate the interim dividend for the first time since 2008, when we declared an interim payment of 12.328 cent per share, amounting to €263m. Reflecting the strong performance achieved in 2025 and the robust capital position of the Group as we entered the year, the Board has resolved to distribute all of the after-tax profits generated. Subject to approval of shareholders at the Annual General Meeting on 30 April 2026, a final ordinary cash dividend of 46.257 cent per share, amounting to €988m, will be paid on 8 May 2026 to shareholders on the register at the close of business on 27 March 2026. When combined with the interim dividend of 12.328 cent, the total dividend for the year will amount to 58.585 cent, a 58% increase over the cash dividend declared for 2024, of 36.984 cent per share.

Your Board has also resolved to distribute €1bn by way of an on-market share buyback programme to commence immediately, and we intend to launch a follow on Odd-Lot Offer to smaller shareholders in response to requests from shareholders at the 2025 Annual General Meeting. The necessary pre-approval for these two reductions in capital has been received from the European Central Bank.

Taking account of the capital generated in 2025 together with the distributions described above, the Group has finished the year with a CET1 ratio of 16.2%, well above the Group's medium-term target.

State shareholding

Following receipt of shareholder approval at the 2025 Annual General Meeting, the Group successfully concluded an off-market purchase of 191,671,857 ordinary shares from the Minister for Finance on 7 May 2025, for a total consideration of €1.2bn. This represented 8.2% of the issued share capital, and the shares were cancelled on settlement.

The Minister continued with a programme of selling down the Irish State's holding in the Group during 2025, through a combination of placings and a daily share trading programme and, on 17 June 2025, announced the complete divestment of the State's holding following a placing of the final 2.06% held prior to that date.

On 31 October 2025, AIB announced the agreement with the Minister for Finance for the cancellation of warrants over 271,166,685 shares held by the Minister on the payment of €390m. This ended the involvement of the Irish State's direct economic interest in the Group, and brought the total proceeds repaid to the State by AIB to c. €21bn, including levies of c. €650m and other fees.

On behalf of the Board, I welcome our new shareholders and I thank you and our other longer-standing investors for your support and your confidence in the Board and management of the Group, together with the strategy we are pursuing.

Corporate governance

Your Board's commitment to the highest standards of corporate governance is resolute and I invite you to review the section of this Annual Report setting out Governance in Action at AIB. This is set out on pages 118 to 175.

Stakeholder engagement

Shareholders will appreciate, as the Board does, that there are additional stakeholders who are important to the long-term sustainable success of the Group. These include our customers, employees, suppliers, debt investors, regulators, and the communities we serve. We have set out elsewhere in this Annual Report our key points of engagement with these stakeholder groups, and I encourage you to invest some time in reading those sections.

Executive remuneration

The remuneration restrictions introduced by the Irish government in 2009 presented, in recent years, a material talent retention risk, placing AIB at a significant disadvantage to our domestic competitors in the retention and attraction of talent. I have highlighted here my ongoing engagement with successive Ministers for Finance since 2023 with a view to having these restrictions removed, following the reduction in the Irish State's shareholding in the Group below 50% in June of that year. Following the return of AIB to full private ownership and the retiring of most of the provisions of the Relationship Framework Agreement with the Minister for Finance, the cap on salaries of €500,000 was eventually removed in July 2025. We welcomed the Minister making clear his view in the Oireachtas that "decisions regarding remuneration are the sole responsibility of the board and management of the banks which must be run on an independent and commercial basis". That said, the remaining remuneration restrictions, which effectively prohibit payment of variable remuneration above €20,000, given the punitive tax rules applying, perpetuate the uneven playing field for the Group in competing for experienced executives within and outside of the banking sector. This also prevents the Board from more closely aligning the interests of its Executive Directors and senior management with those of shareholders, which is a central plank of good, effective governance.

I will continue my engagement with the Minister for Finance and advocate for change, until such time as this critical impediment to rewarding top performance and effective risk management in banking is removed. We are very fortunate to have successfully retained the talented executives we have in recent years.

Board changes

The following Board changes were recorded during the year.

Helen Normoyle, a non-executive Director since 2015, resigned at the 2025 Annual General Meeting having served nine years on the Board. In her period on the Board, she served on the Nomination and Corporate Governance Committee, the Technology and Data Advisory Committee and she led the Sustainable Business Advisory Committee as chair since its establishment, making a huge contribution to AIB over this time. She was also Senior Independent Director, a role Elaine MacLean assumed on Helen's retirement.



Ann O'Brien and Raj Singh resigned from the Board with effect from 31 December 2025, having served more than six years as independent non-executive Directors, following their appointment to the Board on the nomination of the Minister for Finance. Ann served on the Audit and Remuneration Committees and chaired the Technology and Data Advisory Committee since its establishment in 2021. Raj brought his considerable experience to bear on the Risk Committee and also on the Sustainable Business Advisory Committee.

I wish to record the appreciation of the entire Board to Helen, Ann and Raj for their considerable contribution to the Group and to the Board, and to wish each of them well for the future.

I was very pleased to announce the appointment of Anne Sheehan as an independent non-executive Director on 1 September 2025. Anne, who is General Manager of Enterprise Commercial for Europe North at Microsoft, also joined the Technology and Data Advisory Committee and we look forward greatly to hearing her experience and contribution in the years ahead.

In conclusion

I would like to thank our employees for their commitment to the Group and, on your behalf, I would like to thank our 3.4 million customers for their loyalty and trust in us. We will continue to put them at the forefront of our decision-making as we empower them to build a sustainable future.

Finally, I want to thank you, our shareholders, for your continued support. I am confident that, as we enter the final year of our three-year strategic cycle, we are pursuing the right strategy for the long-term success of the Group for our shareholders and for our other stakeholders.

Thank you for your trust in us.

Jim Pettigrew
Chair

3 March 2026