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AIB GROUP PLC – Q3 2025 TRADING UPDATE (UNAUDITED)

Strong Q3 performance; well-positioned for the remainder of the year

"I am pleased to announce another strong quarter for AIB underpinned by a supportive Irish economy and our market-leading customer franchise. Net interest income has remained resilient throughout the interest rate cycle due to the growth in our loan book and deposit base. Gross loans have increased by €0.9 billion since December 2024 to €72.2 billion, with new lending to September up 5% to €10.5 billion, of which 36% was green lending. Customer accounts increased by €4.4 billion to €114.3 billion since December 2024.

The Irish economy continues to show resilience despite a challenging international backdrop. Our 3.4 million customer base positions us well for the remainder of the year and for the medium term. We continue to implement our strategy at pace, delivering sustainable returns to our shareholders, and supporting our customers and communities."

Colin Hunt, Chief Executive Officer

Key highlights: (all comparisons 9 months to Sept 2025 versus 9 months to Sept 2024 unless otherwise stated)

- Upgrades to NII, customer accounts and exceptional gain guidance for FY 2025
- Total income decreased 10% primarily driven by lower interest rates
 - Net interest income (NII) of €2.8bn, down 10% as expected; September NIM YTD of 2.75%
 - Increase of 2% in net fee and commission income
- Costs⁽¹⁾ up 4% with 3% expected for 2025 as guided; Cost income ratio 44%
- Gross loans increased to €72.2bn, up €0.9bn since Dec 2024
 - New lending up 5% to €10.5bn; of which 36% was green lending at €3.8bn
 - Mortgage market share 31% Sept YTD⁽²⁾
- Strong and diversified funding
 - Continued growth in customer accounts to €114.3bn (Dec 24: €109.9bn)
- CET1 of 16.6%⁽³⁾ at Sept (Jun 25: 16.4%) excludes Sept YTD profits
 - c. +250bps organic capital generation Sept YTD
- Completed the sale of minority shareholding in AIB Merchant Services
- Cancellation of IPO warrants in October 2025; c. -70bps impact on CET1 or €390m⁽⁴⁾

2025 Guidance:

- NII is expected to be > €3.7bn; previously > €3.6bn
- Other income is expected to be c. €750m
- Costs are expected to increase c. 3%
- Cost of risk (CoR) expected to be at the lower end of a 20-30bps range

- Bank levies and regulatory fees are expected to be c. €140m
- Exceptional gain expected to be c. €150m; previously c. €100m
- Customer loans are expected to grow by c. 3%
- Customer accounts are expected to grow by c. 4%; previously c. 3%
- RoTE is expected to be > 20%

2026 Medium-term targets:

- 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

The Group recorded a strong financial performance in the first nine months.

Net interest income of €2.80bn (Q3 2025: €0.93bn) was 10% lower in the nine months to September compared to the equivalent prior year period, primarily as a result of lower interest rates partially offset by higher average loan and customer account volumes. Net interest margin (NIM) for September YTD was 2.75% and the Q3 2025 exit NIM was 2.70%. For the nine months to September the deposit beta was c. 20%. For 2025 we expect NII of > €3.7bn upgraded from previous guidance of > €3.6bn based on rate assumptions of an ECB deposit rate of 2.00% and a BOE rate of 3.75% at December 2025 and a deposit beta of c. 20%. NII has remained resilient throughout the interest rate cycle and has stabilised.

Other income decreased 12% on the equivalent prior year period as the prior period benefitted from higher equity gains and other items. Net fee and commission income grew by 2% and we continue to enhance our wealth management proposition. For 2025 other income is expected to be c. €750m.

Operating costs were up 4%, primarily reflecting the impact of higher opex-related investment spend and inflationary impacts partially offset by lower FTE numbers. FTEs at end Q3 2025 were 10,351 (Sept 24: 10,692). We continue to expect full year 2025 costs to increase by c. 3%.

Overall credit quality remained robust and a net credit impairment charge in line with expectations was recorded for the nine months. Our approach remains conservative, comprehensive and forward-looking and we expect a CoR for 2025 at the lower end of a 20-30bps range.

Regulatory costs and levies are expected to be c. €140m for 2025.

Exceptional items: for 2025 we expect an exceptional gain of c. €150m, primarily due to a gain from the sale of our minority stake in AIB Merchant Services to joint venture partner Fiserv, Inc.

Balance Sheet

Gross loans of €72.2bn were up €0.9bn (Dec 2024: €71.2bn) driven by new lending of €10.5bn. We expect customer loans to grow by c. 3% in 2025 and c. 5% CAGR out to 2027.

Total new lending for the nine months to September increased by 5% to €10.5bn.

New mortgage lending in Ireland was broadly stable at €3.1bn and reflected a market share of 31%. Personal lending in Ireland was up 4% to €1.1bn reflecting our larger customer base and our market-leading digital proposition. New lending to SMEs in Ireland of €1.1bn was marginally lower than the prior year period.

In Capital Markets, new lending increased by 12% to €3.3bn. The growth in new lending was driven by corporate lending and some recovery in new lending to the real estate sector.

Climate & Infrastructure Capital delivered new lending of €1bn of which 64% was in Europe and the UK. We continue to finance the transition to renewable energy and social infrastructure.

The UK continued its strong performance with new lending of £1.2bn in the first nine months.

Green and transition lending accounted for 36% of new lending with €20.5bn of new green lending since 2019 as we continue to support our customers transition to a more sustainable future. Green mortgages represented 59% of new mortgage lending.

NPEs were unchanged from June 2025 at €2.0bn representing 2.8% of gross loans (Dec 2024: €2.0bn or 2.8%) and we remain vigilant with careful management of the loan book.

Funding and Capital

Strong funding and capital ensure AIB is well-positioned for sustainable growth. With more than 4% growth in Irish volumes, customer accounts increased by €4.4bn to €114.3bn (Dec 24: €109.9bn; Jun 25: €112.5bn) with 93% of accounts ROI-based. Customer accounts are expected to grow by c. 4% in 2025.

The Group continues to have strong funding and liquidity ratios with an LDR of 62%, LCR of 205% and NSFR of 164%⁽⁵⁾ at Sept 25 (Dec 24: LDR 64%, LCR 201% and NSFR 162%).

During Q3 Moody's upgraded AIB Group's long-term issuer rating one notch to A2 reflecting the Group's reduced and contained asset risk, its strong capitalisation and significantly improved core profitability.

Capital remains robust and comfortably ahead of minimum requirements. The CET1 ratio was 16.6%⁽³⁾ up from 15.1% in December 24 primarily due to the implementation of Basel IV (c. +120bps) and the RWA benefit from the disposal of AIB Merchant Services (c. +15bps)⁽⁶⁾. Profits for the nine months to September amounting to c. +250bps are not included in the CET1 ratio pending a final decision on payout at year end. Strong organic capital generation supports the capacity for further distributions.

In October 2025 AIB agreed with the Minister for Finance to cancel the 271,166,685 warrants held by the Minister, for a cash payment to the State of €390m⁽⁴⁾. Based on AIB's capital position at 30 September 2025, AIB's fully-loaded CET1 ratio will be reduced by c. 70bps to 15.9% from the reported 16.6%⁽³⁾.

Distributions: AIB has a sustainable ordinary dividend policy of 40-60% payout and resumed interim dividends in H1 2025. Subject to annual review, the Group has capacity for further distributions above our ordinary dividend policy range. We will maintain optionality with regard to share buybacks and/or special dividends as we move towards our CET1 target of >14%.

Sustainability

Environmental

- €20.5bn of green and transition lending since the Climate Action target launched in 2019 including €3.8bn in the first nine months of the year
- We published our Social Impact Report which outlines our positive impact in metrics and case studies. This supplements our first Standalone Climate Transition Plan and our CSRD reporting which documents our climate journey as a blueprint for future decarbonisation action

Social

- Supported c. 6,000 customers to buy their first home with €1.9bn of new lending to first-time buyers to date in 2025. This brings cumulative new lending to first-time buyers since 2024 to €4.7bn, well-progressed towards our > €6bn target by 2026
- There is continued momentum in financing warmer and more efficient homes. 60% of new mortgage lending in the Republic of Ireland was green in Q3 with Group new green mortgage lending just below at 59%

Governance

- State nominated non-executive directors, Ann O'Brien and Raj Singh will retire from the Board with effect from 31 December 2025. Ms O'Brien and Mr Singh were appointed to the Board in 2019 following their nomination by the Minister for Finance under the Relationship Framework Agreement then in force. Anne Sheehan was appointed an independent non-executive director effective from 1 September 2025. Ms Sheehan is currently the General Manager of Enterprise Commercial for Europe North at Microsoft, having previously held the role of Chief Executive Officer of Microsoft Ireland from 2021 to 2023
- Our 9th annual AIB Sustainability Conference takes place on 27th November. The theme for this year's conference is **'Where our shared ambition meets action'**, and emphasises our collective commitment to driving sustainable practices and fostering innovation with our customers, supporting them in the essential transition to a low carbon economy and society

Outlook

We are almost two thirds of the way through our strategic cycle. Our focus remains on implementation and delivering against our three strategic priorities of; Customer first, Greening our business and Operational efficiency and resilience. We are pleased with our progress and the improvements we are making for our customers, colleagues and communities we serve.

At a global level uncertainty remains high albeit tempered in recent months. The Irish economy continues to perform well with a growing population and strong employment supporting economic growth.

As we look towards the end of the year we remain confident in the resilience of our business given our robust balance sheet, strong profitability and our ability to generate sustainable shareholder returns.

ANALYST CONFERENCE CALL

Colin Hunt, CEO and Donal Galvin, CFO, will host a conference call today at 08.00 GMT for 30 minutes.

CONFERENCE CALL ACCESS

Please register in advance [AIB Q3 2025 Trading Update - Self Registration](#) to receive the dial in details including the Conference Pin and your unique User PIN. You will be unable to access this call without your unique User PIN

REPLAY will be available until 18 November 2025. Please use the playback link to access this recording.

[AIB Group plc Q3 Trading Update - Replay details](#)

Note: Figures presented above may be subject to rounding

Abbreviations:

RoTE: Return on tangible equity; $RoTE = (PAT-AT1) / (CET1 \text{ @}14\% \text{ of RWAs})$

- (1) Costs before bank levies and regulatory fees and exceptional items*
- (2) Source: Mortgage drawdowns BPFI September 2025*
- (3) In accordance with ECB guidance and under Article 26(2), year to date profits of c. +250bps have not been recognised in the September regulatory reported CET1 of 16.6%*
- (4) Warrant cancellation announced on 31 October 2025 and available to view on our [website](#).*
- (5) Subject to finalisation*
- (6) The total expected CET1 benefit is c. +35bps including profits from the disposal*

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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 20 in the 2024 Annual Financial Report and updated on page 30 of the Half-Year Financial Report 2025. 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 20 of the 2024 Annual Financial Report and updated on page 30 of the Half-Year Financial Report 2025 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.