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AIB GROUP PLC – Q1 2026 TRADING UPDATE (UNAUDITED)

Strong Q1 performance underpinned by continued strategic delivery; guidance reiterated

“Having entered 2026 with great momentum in our business, the Group delivered a strong performance in the first quarter. Gross loans grew by 1.7% to €73.5 billion for the period and new lending increased by 11% to €3.6 billion, of which 42% was green. Notwithstanding the geopolitical uncertainty, the Irish economy continues to perform well and we remain confident in our outlook for 2026. AIB plays a key role by supporting our customers and communities through our extensive branch network and digital channels. We remain on course to deliver strong, sustainable returns to our shareholders as we progress through the final year of our current strategic cycle.”

- Colin Hunt, Chief Executive Officer

Key highlights: (all comparisons Q1 2026 versus Q1 2025 unless otherwise stated)

- All 2026 guidance reiterated
- Total income broadly in line with prior year
 - Net interest income (NII) of €0.92bn as expected; Q1 NIM 2.65%
 - Other income up 8%
- Costs⁽¹⁾ up 2% in line with guidance; cost income ratio (CIR) of 44%
- Small net credit impairment charge in Q1
- Gross loans increased 1.7% or €1.3bn to €73.5bn from Dec 2025
 - New lending up 11% to €3.6bn
 - Mortgage market share of 30% March YTD⁽²⁾
- Strong and diversified funding
 - Customer deposits of c. €117bn in line with Dec 2025
- CET1 ratio of 16.0% (Dec 25: 16.2%) excluding Q1 profit
 - c. +80bps organic capital generation
- €1bn share buyback programme announced on 4 March 2026 underway; c. €198m completed so far
- AGM today seeking shareholder approval for
 - a final dividend of 46.257c per ordinary share (distribution of €985m) and
 - an Odd-lot offer to shareholders

2026 Guidance reiterated:

- 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):

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

Medium-term targets continue to guide the business and will be refreshed for our next strategic cycle.

Financial Performance

The Group recorded a strong financial performance in the first quarter of 2026.

Net interest income of €0.92bn (Q4 2025: €0.94bn) was 3% lower in Q1 2026 compared to the equivalent prior year period (Q1 2025: €0.95bn), primarily due to lower interest rates partially offset by an increase in average volumes. NIM for Q1 was 2.65% and the deposit beta was c. 20%. 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%. In March 2026 an additional €10bn of hedging was transacted. Our updated interest rate sensitivity indicates that a 100bps parallel upward shift in interest rates would increase NII by €256m⁽³⁾ on an annualised basis (Dec 25: €387m).

Other income increased by 8% compared to Q1 2025, reflecting a gain on investment securities disposals. Net fee and commission income decreased by 5% as the prior year benefitted from one-off items.

Operating costs were up 2% in line with guidance. FTEs at end Q1 2026 were 10,196 (Dec 25: 10,207).

Overall credit quality remained robust with a small net credit impairment charge recorded in Q1. Our approach remains conservative, comprehensive and forward-looking.

Bank levies and regulatory fees of c. €100m were accrued in Q1 2026 including recognition of the Irish bank levy.

Customer Loans

Gross loans of €73.5bn increased by €1.3bn or 1.7% (Dec 25: €72.3bn) driven by new lending of €3.6bn and positive FX impact of €0.1bn partially offset by redemptions of €2.5bn.

Total new lending of €3.6bn increased by 11% on the prior year period.

AIB's new mortgage lending in Ireland was €0.9bn (Q1 2025: €0.9bn) resulting in a mortgage market share of 30%⁽²⁾. Personal lending in Ireland remained relatively stable and in line with prior year period. New lending to SMEs in Ireland improved compared to the prior year.

New lending in Capital Markets was €1.1bn with strong performances across corporate and property lending.

Climate & Infrastructure Capital delivered strong new lending of €0.6bn, an increase of €0.3bn following lower activity in the prior year, with 72% of new lending in Europe and the UK. We continue to finance the transition to renewable energy and social infrastructure.

UK new lending was £0.3bn reflecting lending in corporate and property sectors.

Green and transition lending of €1.5bn accounted for 42% of new lending with €24.4bn deployed since 2019 as we continue to support our customers to transition to a more sustainable future. Green mortgages represented 61% of new mortgage lending.

NPEs of €1.7bn were broadly in line with December 2025 representing 2.3% of gross loans. Asset quality remains resilient and we continue to carefully manage the loan book.

Funding and Capital

Strong funding and capital ensure AIB is well-positioned for sustainable growth. Customer deposits were flat at c. €117bn with 93% of accounts ROI-based. The mix between current accounts and deposits remains broadly unchanged from December 2025. The Group continues to have strong funding and liquidity ratios with an LDR of 62%, LCR of 194% and NSFR of 158%⁽⁴⁾ at Q1 2026 which compare to 61%, 204% and 163% respectively at December 2025.

Capital remains robust and comfortably ahead of minimum requirements. The fully-loaded CET1 ratio was 16.0% (Dec 25: 16.2%) and reflects strong balance sheet growth. Profit for the first quarter generated 80bps of CET1 and is not included in the CET1 ratio pending a final decision on payout at year end.

Distributions announced at the 2025 Annual Financial Results of a €1bn share buyback and €1.25bn cash dividend of 58.585c per share (12.328c interim & 46.257c final) have been deducted from the CET1 ratio, consistent with the December 2025 disclosure.

Distributions:

At today's AGM shareholder approval will be sought for i) a final dividend of 46.257c per share and ii) a future Odd-lot offer to any shareholders holding 50 or fewer shares in the Group. The €1bn share buyback programme announced on 4 March 2026 is progressing as planned and as at 29 April 2026, 21.46m shares have been repurchased for a total consideration of c. €198m at a volume weighted average price of €9.21 per share.

Outlook

We are now in the final year of our three-year strategic cycle and the Group has had a strong start to 2026. With a favourable domestic economic backdrop, resilient and growing balance sheet and an exceptional customer franchise, we remain confident in our outlook for 2026 and beyond.

We will announce our half-yearly financial results on 30 July 2026

Analyst conference call

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

Conference call access

Please register in advance at [AIB Q1 2026 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

Call Replay will be available through the link above until Thursday 14 May 2026.

Please dial in 5-10 minutes prior to the start time.

Note: Figures presented above may be subject to rounding

Abbreviations:

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

NIM: Net interest margin

- (1) Costs before bank levies and regulatory fees and exceptional items
- (2) Source: Mortgage drawdowns BPF1 March 2026
- (3) NII sensitivity +25bps €64m, +50bps €128m & +100bps €256m. See page 225 of the 2025 Annual Financial Report for assumptions regarding interest rate sensitivity
- (4) Subject to finalisation

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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 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.