Chief Executive's Review

Progress with purpose

"As a trusted partner to 3.5 million customers, AIB's role in supporting households, businesses and communities has never been more important. We remain focused on being there for our customers through our digital channels, branch network and Customer Engagement Centre"

Colin Hunt
Chief Executive Officer

The Group has delivered a strong first half performance in 2026, reflecting both the strength of our franchise and the resilience of the Irish economy. AIB achieved significant strategic progress with a strong financial outturn and very positive outcomes for our customers.

We are reporting a profit after tax of €939m, including total operating income of €2,282m comprising interest income of €1,871m, which was in line with the prior year, and other income of €411m, up 15%. Total operating expenses for the period amounted to €1,001m, with a cost income ratio of 44% (44% in H1 2025).

Return on tangible equity (RoTE) for the period was 23.2% and our CET1 ratio of 16.1% remained well above regulatory requirements. Our capital position remains very strong, providing considerable capacity to support growth, deliver on our strategic ambitions and return capital to shareholders. We are pleased to announce an interim cash dividend of 19.528 cent per share, which amounts to €406m. Meanwhile, the €1bn share buyback programme announced on 4 March 2026 continues to progress well.

Amid a challenging international backdrop marked by geopolitical tensions, trade uncertainty and market volatility, the Irish economy remained resilient. As a trusted partner to 3.5 million customers, AIB's role in supporting households, businesses and communities has never been more important. We remain focused on being there for our customers through our digital channels, branch network and Customer Engagement Centre.

Gross loans grew 3% to €74.5bn in the first half of 2026, reflecting positive trends across all our operating segments. New lending of €7.5bn was 10% higher compared to H1 2025. Importantly, 41% of this new lending was green or transition. Irish mortgage lending of €2.0bn, representing a market share of 30% (H1 2025: 32%), was 1% higher compared to the same period last year. Property related lending was up 1% to €1.0bn and non-property lending of €3.8bn was up 23% with a strong performance in Climate & Infrastructure Capital and corporate lending. Customer deposits of €118.8bn increased by €1.6bn or 1% compared to December 2025, driven by an increase in personal balances.

2026 is the final year of our current strategic cycle. In 2024, we set ourselves three clear priorities: putting our customers first, greening our business, and strengthening operational efficiency and resilience. As we enter the final six months of the cycle, I am pleased with the progress we have made across all three priorities. Most importantly, that progress is delivering meaningful benefits for our customers and our stakeholders.

June marked a major step forward with the launch of AIB's new app, giving customers a more convenient, secure and intuitive banking experience through the device they use every day.

Digital is only one of the ways we support our customers, but its importance has grown significantly in recent years, reflecting changes in customer behaviour and preferences. This newly launched app, and the cloud-based platform on which it is built, will help ensure AIB remains a trusted, resilient and innovative bank with best-in-class technology.

With a view to the future, we also announced this year that AIB has joined Qivalis, a consortium of leading European banks, to issue a regulated, euro-denominated stablecoin that will enable seamless, efficient and secure payments and settlements within Europe and globally, unlocking the benefits of blockchain technology to support the expansion of digital finance.

Meanwhile, we continue to focus on providing a comprehensive suite of financial products, including investments and protection. In June, Goodbody took an important step in expanding the Group's wealth management business in agreeing a deal to buy Belfast-based private wealth advisory firm Legacy Wealth Management. The deal, which is pending regulatory approval, progresses Goodbody's ambition to be an all-Ireland wealth management firm. Legacy has built a strong market position in Northern Ireland with assets under management of £700m, supported by long-standing client relationships and a financial-planning-led advice model.

I strongly believe that savings and investment products should be widely available to unlock the potential in Irish household savings. We are actively engaged with the Irish Government and the relevant industry bodies on the development of the much-anticipated Personal Investment Account for Irish residents. The scheme will provide a unique opportunity to nurture a culture of investment while also improving customers' overall financial resilience and wellbeing. Through our engagement we are consistently advocating for simplicity in the design and communication of the final product, to ensure it appeals to as many customers as possible looking to invest for the future and also support economic growth.

The first six months of 2026 saw some movement among the Group's Board of Directors. Brendan McDonagh advised that he would not seek re-election at the AGM on 30 April and would step down after more than nine years on the Board. Basil Geoghegan took over as Deputy Chair from Brendan. In May, James Emmett was appointed as an independent non-executive director, bringing over 30 years' international experience in banking and financial services to the Group.

Also in May, Donal Galvin, our Chief Financial Officer, informed us that he is stepping down from his role. Donal has made significant contributions to the Group during his 13 years with AIB, greatly advancing the financial resilience and capital strength of the Group. A process to appoint his permanent successor has commenced and an update will be provided in due course. Donal has been a highly valued colleague and member of the Executive Leadership Team. On a personal note, Donal has been a great support to me. On behalf of all of us at AIB, I wish him the very best for the future.

Customer First

During the first half of 2026, AIB continued to progress our customer strategy, underpinned by the three principles of Easy, Engage and Protect, focused on making banking easier, strengthening customer engagement and improving customer outcomes. This included continued development of customer insight, segmentation and personalisation capabilities, alongside ongoing simplification of customer journeys and enhancements to customer care.

Our new app, which is being rolled out on a phased basis, was designed with customers at its heart. Throughout its development, our customers helped shape the experience, and their feedback directly informed how the app works and what it delivers.

Importantly, the app has been built on an entirely new and advanced platform, which will allow us to scale at pace. We will begin with strategically important features, such as a specific youth proposition, new and convenient savings options and mortgage management tools, with more enhancements to follow as the market and our customers' expectations develop.

The app followed the industry-wide launch of Zippay, which enables customers to send, request and split money instantly using a mobile number; the redesign of a more engaging New-to-Bank onboarding journey; and the restructuring of our fees and charges to a simpler, more transparent flat monthly fee. Together, these improvements are making everyday banking simpler and more convenient, while ensuring customers can access support in the way that suits them best.

Meanwhile, our investment, pension and protection proposition with AIB life continues to develop and gain traction, with policy holders numbering c. 62,200 at 30 June, a c. 12% increase in the half-year. We have 144 AIB Financial Advisors guiding customers in their financial wellbeing the length and breadth of the country, while the new app will enhance the digital journey.

Our digital assistant Abi continues to provide efficient, comprehensive support when our customers need it. Abi now operates across 90 customer journeys in our Customer Engagement Centre (Vs 66 at year-end 2025), and across an initial set of 18 journeys on our new mobile app, triaging queries and offering customers swift support. To date, Abi has assisted 2.5 million customer calls, fielding an average of c. 6,500 a day. And feedback has been positive: Net Promoter Score (NPS) research shows improvements on journeys where Abi is used.

Supporting the Irish economy and its businesses is a key strategic focus. Our corporate and SME businesses remain strong, as we maintain market-leading positions for main current account holding and business credit products.

Customer experience performance continued its record-breaking run during the half-year, with all-time high NPS maintained across multiple customer journeys and customer satisfaction across branch, call centre and digital channels remaining strong. AIB also maintained strong brand performance during the period, including leadership amongst the Irish pillar banks on customer brand health and key customer measures.

Customer First

An Anchor of Trust in our Communities

Our branches continue to be an anchor of trust, embedded in the communities and economies we serve. In January, we announced a further €26m expenditure plan for AIB and EBS over the next two years, bringing total spend in our branch networks since 2024 to €66m. This new phase of the investment programme includes significant upgrades to six AIB branches and 32 EBS offices, delivering modern banking halls, clear interaction spaces and enhanced privacy for customers.

As part of this investment, 150 new Cash and Cheque Lodgement (CCL) machines will be introduced across the country, while two mobile community banking vehicles operating in the North West and South West will be replaced.

The overall investment also supports AIB's sustainability goals, reducing operational carbon emissions by an estimated 10%.

Chief Executive's Review *continued*

Greening our Business

At AIB, we believe that the need for climate action has not diminished; it has become clearer. Climate action is not just about targets and protecting our natural world – critical as they are. It is about the infrastructure, housing, energy, public health, security, competitiveness and resilience which we all need.

Greening our business is central to how we create long-term value. It is not separate from economic growth or competitiveness; it is increasingly fundamental to both. In the six months to June, our green and transition lending amounted to €3.1bn, bringing total green and transition finance issued since 2019 to €26bn, progressing significantly (87%) towards our 2030 target of €30bn.

Our Climate & Infrastructure Capital segment – now with a team of more than 100 specialists – is central to this through its lending to large-scale renewable energy and infrastructure projects across Ireland, the UK, Europe and North America. This segment performed very strongly in the first half with a rebound in activity: new lending of €1.2bn represents a 96% increase on H1 2025.

The conflict in the Middle East has provided another stark wake-up call to our reliance on imported energy, and the security of that supply. Last year, the Irish Government approved a landmark five-year €3.5bn investment in electricity grid infrastructure, the largest such commitment in the history of the State. Regulators also backed a grid investment programme worth up to €18.9bn, giving EirGrid and ESB Networks the financial firepower to expand and modernise the system at scale. At AIB, capital is available and we see strong appetite from investors, developers and businesses to back the transition.

Greening our Business

Powering Homes, Supporting Infrastructure

Earlier this year, AIB, through its Climate & Infrastructure Capital division, provided €83m as part of a €514m term loan facility to Dublin Waste to Energy (DWTE) to refinance existing debt facilities and fund plant upgrades that will increase processing capacity.

Located in Poolbeg, Dublin, DWTE is Ireland's largest waste-to-energy facility, processing over 30% of the country's municipal residual waste and generating approximately 61.5MW of electricity for export to the national grid – enough to power around 115,000 homes annually.

This financing supports critical national infrastructure while contributing to Ireland's energy security and circular economy ambitions.

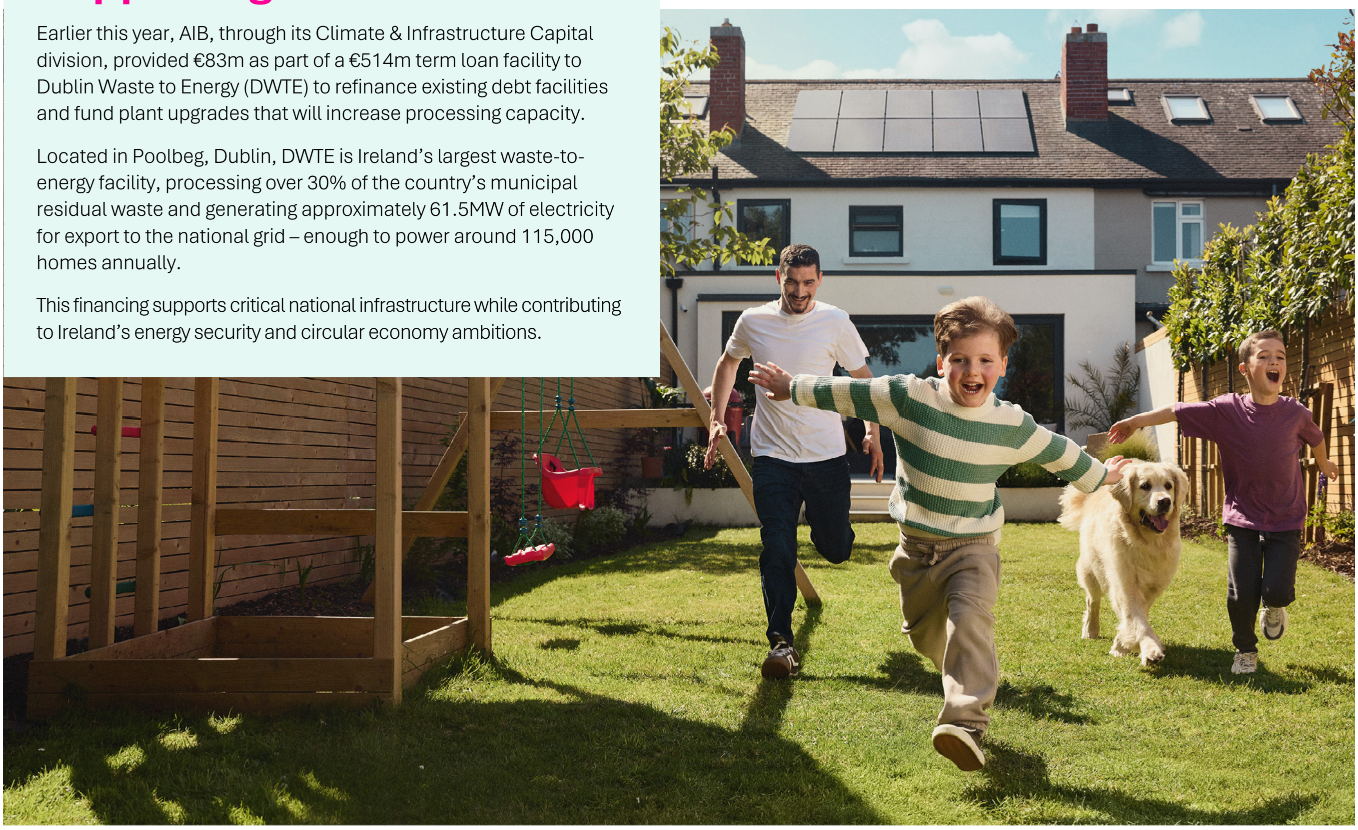
Housing remains a cornerstone of essential infrastructure, especially in Ireland. Since the start of 2026, we have provided over €500m to fund new private homes, apartment schemes and mixed-use developments, providing finance to increase the supply of new homes, including new social and affordable housing.

Green mortgages continue to grow in popularity as house-hunters recognise the benefits of buying and upgrading energy-efficient homes. 61% of Group new mortgage lending went to energy-efficient homes in Ireland. We helped more customers become homeowners with €1.2bn of new lending going to first-time buyers since the start of the year. This means we have already achieved our goal, set in 2024, to provide >€6bn to first-time buyers by the end of 2026. We also reaffirmed our commitment to the second phase of the SBCI Home Energy Upgrade Loan Scheme (HEULS), helping more people retrofit their homes through lower-cost finance.

In the first half of 2026, we were a strong advocate for the development of the Irish Green Building Council's new Home Performance Pathway (HPP), a sustainability accreditation tailored to the needs of SME developers, helping to move the housing market overall towards better design, energy efficiency and long-term climate resilience. Meanwhile, one year on from launch there has been strong interest in our low-cost Business Sustainability Loan, particularly among the Agri sector.

We continue to provide evidence-based advice and support to our customers. Along with delivering training programmes with Chambers organisations both north and south of the border, we developed the Your Steps to Sustainability programme for households. The online hub is designed to make sustainable living more practical and relevant, focusing on energy, transport and nature, and showing how even small actions can benefit people's wallet, wellbeing and the wider world.

AIB is embedded in our communities, offering support that goes far beyond financial solutions. We're supporting local charities again this year via the AIB Community €1 Million Fund, the most successful to date, our sponsorship of the GAA continues to lift teams and communities nationwide, we partner with national organisations at a strategic level to increase their impact, and our people volunteer their time for causes close to their heart.



Operational Efficiency and Resilience

Efficiency is not an end in itself – it creates capacity to invest where it matters most.

The speed at which artificial intelligence (AI) is developing continues to reshape the global economy, presenting both extraordinary opportunities and complex challenges for businesses, policymakers and society as a whole. While we're seeing benefits in AIB as we roll out AI capabilities across appropriate functions, we are also witnessing ever more sophisticated financial crime. The pace of change is increasing, and we are determined to stay ahead of it.

In a world of uncertainty, resilience remains one of our greatest strengths.

Protecting our customers and our business remains a constant priority. During the first six months of 2026, we maintained >99.99% availability across our vital business services. Our focus remains on ensuring we detect threats early and respond rapidly, facilitated through our resilience Fusion Centre.

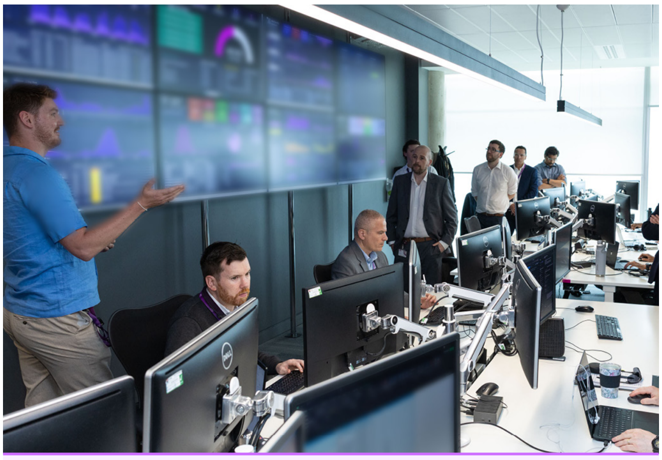
AI is unlocking new efficiencies across the Group. We are embedding it responsibly in areas where it can improve productivity, enhance customer outcomes and enable our people to focus on strategic work. Having deployed Copilot to support all colleagues, we are now focusing on high-impact areas, including software development and engineering, operations and customer service. We commenced the rollout of next-generation AI agents in the first half of the year, offering specialist support for colleagues' decision-making and productivity, and integrated AI-enabled analytics capabilities to improve effectiveness.

Our people remain central to the success of AIB and we continue to be recognised as an employer of choice – not least amongst the graduate cohort, who voted for AIB as Graduate Employer of the Year for the seventh time in April 2026. In conjunction with an AI lift in efficiency, our Dynamic Workforce Planning (DWP) approach – now across 85% of the Group – enables us to proactively assess and align capability requirements, ensuring we have the skills needed to deliver our strategic priorities. Through ongoing analysis of current and future workforce needs, DWP identifies opportunities for upskilling, redeployment and targeted recruitment, while supporting greater organisational effectiveness and productivity. This allows us to, for example, continue to operate our graduate and apprenticeship programmes at the same level, ensuring we develop tomorrow's leaders, ready to harness the tools of the future.

Outlook

Turning to the period ahead, the outlook is clouded by current geopolitical events. However, the global economy is expected to grow at a modest pace, with the International Monetary Fund forecasting a slight deceleration in growth to 1.7% this year in advanced economies from 1.9% in 2025. This will be characterised by relatively solid US growth (2.3%) and more sluggish Eurozone growth (0.9%) in 2026. However, recent forecasts from the Economic and Social Research Institute and Central Bank of Ireland show they expect continued strong Irish growth, with modified domestic demand expanding by around 3% in 2026.

Several factors should underpin Irish growth. Despite higher inflation, consumer spending is expected to be solid, underpinned by a robust labour market. Fiscal policy is also set to be supportive in the context of the healthy state of the public finances. Our economy will continue to operate at a structurally high growth rate amid rapid population gains and an innovative industrial base. While Ireland remains exposed to geopolitical risks globally, our specialism in high-growth export sectors has been to our benefit. Meanwhile, private sector balance sheets remain characterised by low debt and high levels of savings. These buffers will be vital if any downside risks emerge.



Operational Efficiency and Resilience

An Integrated Approach to Protecting our Customers

Reinforcing customer trust and resilience as strategic priorities for the Group, our Fusion Centre brings together cyber security, operational resilience, technology operations, physical security and business continuity into a single, integrated capability. By combining intelligence from both the physical and digital worlds, the Fusion Centre helps us identify, assess and respond to an increasingly interconnected threat landscape. We continue to enhance these capabilities through investment in advanced facilities, technology and specialist expertise, including the application of AI to strengthen detection, intelligence and response capabilities across the Group. By leveraging partnerships with leading security and resilience organisations, we are enhancing our ability to protect customers and ensure the resilience of the services they rely on.

In the months to year-end we will work to prioritise and deliver against the strategic priorities set out at the beginning of 2024 while we simultaneously plan for the future.

For our customers, we will continue to deepen our understanding of their needs and use those insights to make better decisions. We will accelerate personalisation, simplify how customers engage with us and continue improving experiences and outcomes.

Having already made significant progress against our ESG Performance Metrics, we will continue to advance our Greening our Business agenda, reducing our environmental footprint and maintaining a strong focus on supporting our customers and the economies we power in the transition to a lower-carbon future.

We will keep enhancing our operational efficiency and resilience by simplifying processes, strengthening our technology platforms and investing in the capabilities required to support a modern, customer-focused bank.

In laying the foundations for the next chapter of AIB's development, our ambition is matched by our determination to deliver. Building on the strong progress achieved to date, I look forward to sharing our strategy for the future and continuing to create sustainable value for all our stakeholders.

Colin Hunt
Chief Executive Officer

29 July 2026