For the life you're after

AIB Group plc
Half-Year Financial Report

For the six months ended 30 June 2025

Empowering people to build a sustainable future

AIB Group operates predominantly in Ireland and the United Kingdom. Our shares are quoted on the Irish and London stock exchanges and we are a member of the FTSE4Good Index.

Whether it is navigating day-to-day life as we adapt to a greener way of living, planning for the future or growing a business, our ambition as a Group is to be at the heart of our customers' financial lives.

Our brands:

On our cover: Darragh Dooley, Executive Chef at Killeavy Castle. Killeavy Castle has been featured in AIB's business content series highlighting the sustainable practices across their business.

Inside this Half-Year Report

Overview

Business Review

Risk Management

Financial Statements

This Half-Year Financial Report contains forward looking statements with respect to certain of the Group's plans and its current goals and expectations relating to its future financial condition, performance, results, strategic initiatives and objectives. See page 103.

Business Performance

H1 2025 Results

Financial performance

Profit After Tax

€927m

HY 2025	€927m
HY 2024	€1,108m

Resilient profit after tax of €0.9bn
Operating profit[1] €1.1bn, operating income down 10% reflecting lower interest rates with operating expenses up 3%, and an impairment charge of €85m

Net Interest Income

€1,874m

HY 2025	€1,874m
HY 2024	€2,075m

Impacted by lower interest rates
Down 10%, in line with expectations, due to lower interest rates and higher interest expense on customer accounts partially offset by balance sheet growth
Net interest margin (NIM) of 2.78%

Net Credit Impairment Charge

€85m

HY 2025	€85m
HY 2024	€61m

Asset quality has remained stable
Expected credit loss balance sheet cover remains at 1.9%

NPE ratio 2.8%
Non-performing exposures (NPEs) €2.0bn

New Lending

€6.9bn

HY 2025	€6.9bn
HY 2024	€6.3bn

New lending up 9%
Strong growth in mortgages, personal and property, primarily UK residential investment

Gross Loans

€71.6bn

30 Jun 2025	€71.6bn
31 Dec 2024	€71.2bn

Gross loans up €0.4bn
Gross loans up €1.1bn excluding the negative impact of currency movements

Customer Accounts

€112.5bn

30 Jun 2025	€112.5bn
31 Dec 2024	€109.9bn

Customer accounts up 2%
Customer accounts increased by €2.6bn driven by growth in personal and SME

1. Operating profit before impairment losses and exceptional items.

Medium-term financial targets (2026)

Return on Tangible Equity[1]

A measure of how well capital is deployed to generate sustainable earnings

Outcome

21.4%

HY 2025	21.4%
HY 2024	25.5%

Return on tangible equity substantially ahead of medium-term target

Target

15%

CET1 Ratio (fully loaded)

A measure of our ability to withstand financial stress and remain solvent

Outcome

16.4%

30 Jun 2025	16.4%
31 Dec 2024	15.1%

Strong capital position, well in excess of regulatory requirements and medium-term target. Resumption of interim dividend of €263m

Target

>14%

Absolute Cost Base[2]

Cost of running the business

Outcome

€979m

HY 2025	€979m
HY 2024	€947m

Cost income ratio[2] 44%. Costs up 3% primarily reflecting the impact of inflation and higher investment spend partially offset by a reduction in staff numbers

Target

<€2.0bn

with a cost income ratio <50%

Sustainability performance

Our approach continues to evolve in line with ESG reporting frameworks, which may result in variations in methodologies and reported outcomes over time.

Greening our business

Amount of new green and transition[3] lending since 2019

€19.1bn

30 Jun 2025	€19.1bn
31 Dec 2024	€16.6bn

Continued growth in new green and transition lending in H1 2025, delivered by strong performance in renewable energy, and energy-efficient residential and commercial buildings

Target

€30bn by 2030

Helping customers to buy their first home

New lending to first-time buyers since 2024

€4.0bn

30 Jun 2025	€4.0bn
31 Dec 2024	€2.8bn

Strong performance in new lending to first-time buyers in H1 2025, which accounted for 61% of AIB Group new mortgage lending in the Republic of Ireland, and supported c. 4,000 customers[4] to buy their first home

Target

>€6bn by 2026

Universal Inclusion

Women as % of management[5]

43%

HY 2025	43%
HY 2024	43%

Gender balance maintained across management levels. Targeted programmes on leadership development, technical skills enhancement and career progressions strategy ensure that our female workforce has the resources and opportunities needed to succeed and thrive within AIB

Target

Gender Balanced[6]

(Ongoing)

1. Return on Tangible Equity (RoTE) is based on the target CET1 capital on a fully loaded basis. For definition and basis of calculation, see pages 24 and 28.
2. Before exceptional items, bank levies and regulatory fees. For exceptional items, see pages 14 and 25.
3. In H1 2025, Transition Finance was incorporated into our green and transition lending reporting. Our green and transition lending definition is aligned to our Sustainable Lending Framework (SLF), which outlines the key parameters on which a transaction can be classified as green or transition. Transition Finance reporting has been applied to all relevant new lending activity from 1 January 2025.
4. Customer is defined at account level, as such two buyers for one property is only counted as one customer.
5. Within AIB's career structure management is defined as those in Level 4-6 positions including the Executive Leadership Team. Payzone, Goodbody, contractors, AIB staff on career break or unpaid leave as well as Board members are currently excluded from the figure.
6. The Equileap annual Gender Equality Global Report & Ranking equates 'gender balanced' with between 40% and 60% women.

Chief Executive's Review

The solid fundamentals of our business, including a leading franchise in our core market, underpin strong organic capital generation, enabling the Group to both invest in our business and deliver market-leading distributions."

Colin Hunt
Chief Executive Officer

By any measure, the first six months of 2025 have been eventful, both in terms of AIB Group's own development and in terms of the macro-economic and geopolitical landscape. Against a backdrop of uncertainty and global tensions, I am pleased to report another set of strong financial results for the Group, demonstrating our ongoing stability and the continued resilient performance of the Irish economy.

A defining event for the Group came towards the end of the half-year, when the Department of Finance announced that the State would exit from AIB's share register on June 16 and AIB Group returned to full private ownership. Reaching this milestone reflects hard work and dedication across the Group to deliver for our customers and stakeholders. Following the completion of a €1.2bn directed buyback in May, which took place during incredibly volatile conditions, and including further proceeds from the trading plan during the year, AIB has returned a total of €20.5bn to the State since its rescue following the global financial crisis almost two decades ago. We owe an immense debt of gratitude to the Irish taxpayer for the support during one of the bank's most challenging times.

Since then, our focus has been on rebuilding trust, repaying the State, and continuing to support our customers, communities and the wider economy as we transformed our business. Our job has always been to run the business and build the strength of our franchise by delivering our strategy and serving the needs of our c. 3.35 million customers. This remains our priority, now and into the future, as we continue to implement our strategy at pace.

We are now at the half-way point of our current three-year strategic cycle as we continue to deliver across our three strategic priorities: Customer First, Greening our Business and Operational Efficiency and Resilience. I will outline some of the milestones achieved across each priority below. Overall, our progress is on track and our strategy remains clear, consistent and compelling as we continue to build a reliable and sustainable business.

We have proven our ability to generate capital and return it. A CET1 ratio of 16.4% at 30 June is comfortably above regulatory requirements and supports both growth and shareholder returns. The solid fundamentals of our business, including a leading franchise in our core market, underpin strong, organic capital generation, enabling the Group to both invest in our business and deliver market-leading distributions, demonstrated by our >100% payout in 2024 and the execution of the above-mentioned directed buyback.

We are pleased to return to more normalised distributions. Directed buybacks, which played a positive and significant role in repaying the Irish taxpayer for their support, reducing the State's stake and enhancing earnings per share (EPS) for all shareholders, are no longer an option. In this regard, we are pleased to announce the resumption of interim dividends with a cash dividend of 12.328 cent per share, which amounts to €263m.

The Group continued its strong financial performance in the first six months of 2025, delivering a profit after tax of €927m. Loan growth remains positive with new lending in the half-year reaching €6.9bn, up 9% compared with H1 2024, and gross loans totalling €71.6bn. Irish mortgage lending rose by 4% compared with H1 2024. During the half-year, we supported c. 7,100 customers to purchase their homes in the Republic of Ireland, c. 4,000 of whom were first-time buyers.

Return on tangible equity (RoTE) at 21.4% substantially exceeds the Group's 15% target. Our net interest income (NII) reduced by 10% compared with the same period in 2024, in line with expectations, driven by lower interest rates and increased interest expense on customer accounts. The net interest margin (NIM) was 2.78%.

AIB opened c. 185,000 new accounts in the first six months of the year in Ireland, primarily across Personal and SME, and welcomed an average of 399 new customers a day. This contributed to an increase in customer account balances across the Group, which now stand at €112.5bn, up 2% since 31 December 2024. We are serving our customers more effectively, through integrated digital and in-person channels.

The Group successfully raised funds in the form of a €700m AT1 bond in January, €800m from two senior non-preferred green bonds in March, and a USD$750m senior non-preferred bond in May, further strengthening our funding and capital. In the second half of the year we expect c. 35bps positive CET1 impact from the sale of our share of AIB Merchant Services to Fiserv, Inc., our partner in the joint venture.

At this midway point, our strategy is clear, our purpose remains unwavering, and we have demonstrated what this Group is capable of delivering. To further support the execution of our strategy through our three main business lines – Retail Banking, Capital Markets and Climate Capital – we have simplified the management structure. In July, along with appointing Group General Counsel Miriam Nagle to the Executive Leadership Team, we announced that Graham Fagan, formerly Chief Technology Officer (CTO), has been appointed Chief Operating Officer (COO), taking on an expanded role leading our newly established Enterprise Delivery function. I want to extend sincere thanks to outgoing COO Andrew McFarlane, who announced his departure in March. We also announced the integration of our UK business into Retail Banking, enhancing our all-Ireland offering and continuing collaboration with Capital Markets and Climate Capital to align our wholesale business lines and improving operational efficiencies and customer experience.

Customer First

Our commitment to putting customers at the heart of everything we do has driven us to continue to optimise both our channels for delivery and our back office systems. At the half-year, our quarterly Customer Satisfaction Net Promoter Score (NPS), which relates to all the experiences our customers have across branches, call centres and our digital channels, was 62 compared with 55 for the same period in 2024. We do not take this outcome for granted and maintain a relentless focus on increasing customer satisfaction.

Our digital transformation continues to accelerate, first and foremost delivering improved customer experiences. Our AI-powered digital assistant Abi has assisted over 420,000 customers since its rollout commenced in December 2024 and now handles c. 23% of all daily calls to our Customer Engagement Centre. Notably, when customers are informed that they are dealing with a digital assistant, over 85% choose to continue their interaction with Abi. We are also now using AI for call analytics, providing deep insights into customer needs and driving improvements in this particular area of our customer experience.

One of our key objectives is the enhancement of our digital banking services in tandem with process and system improvements to accelerate credit decisions and lending, particularly for our business customers. We have added ten new features to our Internet Banking channel for SMEs, including the ability to authorise payments via push notification to mobile, and thanks to significant underlying system upgrades and simplifications, our auto-decision rate is at 65% for business credit. The number of customers opting into 'Selfie Check' – our biometric payments capability for transactions up to €10,000 – has doubled in the half-year. We also seamlessly delivered inbound SEPA Instant Payments capability in January.

Customer First

Helping customers plan for tomorrow

In the first half of the year, c. 19,000 AIB customers received long-term financial planning advice from our team of over 130 expert Financial Advisors nationwide. Additionally, we also expanded our customer proposition by offering remote consultation and providing greater investment choice with a series of fixed term capital protected options. Policy-holders with AIB life – AIB's joint venture with Great-West Lifeco – now total close to 50,000, with c. 15% growth in new policies since January.

In July, AIB announced our first fully digital investment device tool via the AIB life hub on the AIB Mobile app. This tool will support customers seeking to invest and build their financial strength by offering regulated investment advice and appropriate products and guidance.

Chief Executive's review *continued*

Overall, we're seeing continued digital adoption across our customer base. Our digitally active customers totalled 2.3 million at the end of the half-year, including 79% of all personal current account customers, and year-on-year the daily average usage of the AIB Mobile App has increased by 4%. Push notification enrolment increased by 550% in H1 2025, reaching 1.3 million customers who now receive real-time alerts that help them avoid surprises, stay in control of their finances and reduce reliance on contact centre support. Business Mobile enrolments increased by over 40% and app activity rose by 27% in the period. Business Mobile is now a core enabler of our SME strategy, supporting smarter, faster and more secure banking for business customers at scale.

In addition to our digital advancements, we remain focused on improving our in-branch customer experience. Of the branches identified for development as part of our €40m investment announced last year, 23 have now been completely upgraded, with a further 12 on track for completion by year-end. The upgrades and sustainability interventions delivered in 2025 will see a 7% reduction in emissions.

We made language interpretation and translation services available across our branch network in Ireland during the half-year, and in March, AIB became the first bank in Ireland to receive Autism Friendly Accreditation from the well-recognised charity AsIAm for all 170 of our branches, ensuring they are as accessible and inclusive as possible for Autistic people.

As we want to ensure an excellent customer experience across all our channels, we also want to cater for our customers' financial needs at their various life stages. Our savings, investment and protection offering continues to develop as both Goodbody and AIB life make significant strides in supporting our customers in their various life-stage needs.

Greening our Business

We continue to actively work with our customers to support the transition to a low-carbon economy; providing green products, promoting green practices and financing environmentally responsible and resilient projects, including large infrastructure development both in Ireland and abroad.

Since 2019, the Group has issued a total of €19.1bn in new green and transition finance against our 2030 target of €30bn. In the six months to June, this lending amounted to €2.5bn, which was 36% of total new lending in the half-year. Included in this was lending to energy-efficient homes, which amounted to 58% of all new mortgages issued in the half-year, and green lending to commercial real estate, which made up 73% of total lending to that sector in the period.

Our green bond programme is delivering real-world impact and reinforcing our ESG leadership. The two green bonds issued in March brought the total amount AIB has issued in ESG bonds so far to €7.2bn.

In terms of products, in July, we launched the Business Sustainability Loan, a new low-cost green loan of up to €100k/£100k to help businesses, including farmers, clubs, trusts and charities, transition to a low-carbon economy. Available to customers across Ireland and Northern Ireland, this was also our first product to be released across the island of Ireland at the same time.

Along with credit, we also support our customers with practical training and knowledge-sharing, understanding that sustainability covers many complex and technical topics. In the first six months of the year, we continued to host a range of sustainability customer events, publish various ESG sector guides on sustainable practices, and develop our Steps to Sustainability online tool for SMEs. Through Goodbody Clearstream, we are guiding larger companies with independent sustainability consultancy. We also launched a Solar Panel Calculator to help people better understand the cost savings of solar panels in their homes.

In greening our business, we seek to create lasting impact for communities and stakeholders alike. AIB is dedicated to supporting the communities and economies in which we operate, and this is no more evident than in our annual AIB Community €1 Million Fund, where we work with our customers, colleagues and our communities at large to identify and support charities across Ireland and Great Britain. The process concluded in June with record engagement – a 24% increase in nominations. I look forward to announcing the awardees in September, which will join 220 charities that have already benefited from this initiative.

Operational Efficiency and Resilience

The achievements to date under our Operational Efficiency and Resilience strategic priority are central to our ambition to build a simpler, stronger and more sustainable bank.

Our loan origination capabilities continue to be transformed with the ongoing deployment of nCino, a secure, cloud-based banking platform designed to streamline and digitise the lending process, now covering approximately 66% of our Retail SME business. By automating key parts of the lending process, nCino helps deliver a faster, more seamless experience for customers, reducing paperwork and manual intervention.

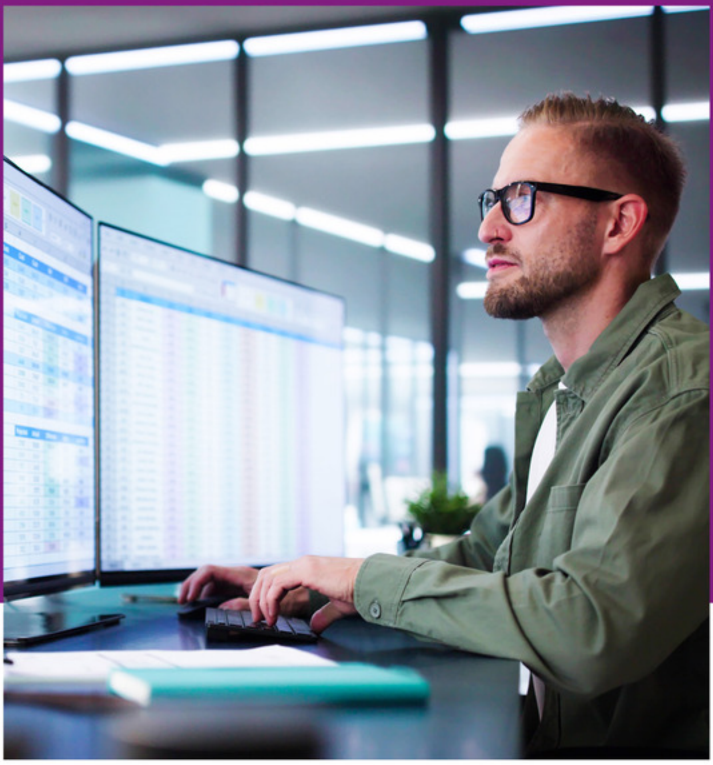
Greening our Business

Supporting higher education and research

In June, AIB proudly supported the c. €380m Higher Education Bundle 2 Public Private Partnership (PPP) by providing c. €94m in debt facilities and acting as facility agent for the banking group. The project, led by Invesis Coöperatie U.A., will deliver five state-of-the-art buildings across college campuses in Waterford, Limerick, Donegal, Galway, and Carlow. These facilities will accommodate an additional 3,600 students, with a strong focus on STEM disciplines.

This project follows AIB's funding of the first Higher Education PPP bundle, which included approximately 38,000m² of buildings serving about 5,000 students across six sites nationwide, with construction now nearing completion.

These long-term investments in education infrastructure reflect AIB's commitment to supporting the next generation of talent and advancing a knowledge-based economy through high-quality learning environments.



Operational Efficiency and Resilience

Accelerating innovation

In 2025, AIB launched a pilot programme for Microsoft 365 Copilot, integrating AI into daily workflows for a limited number of employees. This enhancement allows colleagues to focus on more valuable tasks while improving customer outcomes. AIB's AI Centre of Excellence has also used Copilot Studio to create customised AI solutions for faster customer insight analysis.

Additionally, AIB built our third cloud-native data centre, strengthening our cloud infrastructure, operational resilience and accelerating speed to market for future digital capabilities.

More recently, in July, AIB announced a partnership with Microsoft Ireland, extending AI capabilities to 10,000 employees and driving innovation and efficiency. This initiative emphasises AIB's commitment to responsible AI adoption and solidifies its leadership in AI in the Irish banking sector.

The simplification of our corporate structure is progressing well, with a 30% reduction in legal entities achieved to date against a target of 40% and up from 17% at the end of 2024. Operating on Agile principles, we have also streamlined our change delivery structure, reducing the number of delivery programmes from over 90 in H1 2024 to 31 today, enabling better prioritisation and more agile investment planning.

Many of these change programmes focus on technology and resilience. AIB has achieved 99.99% availability across Level 1 technology services, underscoring the robustness and reliability of our core platforms. This performance reflects sustained investment in modernising our technology estate – ensuring systems are resilient, scalable and aligned with evolving customer needs. We continued to invest c. 10% of our IT spend on cyber security in H1.

AIB Group may be digital by design, but it remains human at heart; our people and culture are central to the delivery of our ambitions. We continue to enhance our employee proposition, and in April updated our compassionate leave and family leave offering including the introduction of up to ten days' foster leave for employees and paid neonatal leave. Almost 1,900 staff have availed of topped-up parent's leave. As such, I was very pleased with our recent internal engagement survey, in which 90% of respondents stated they are satisfied with AIB as a place to work, a 1% increase on our last survey.

Outlook

The global economic outlook is clouded by elevated levels of uncertainty, especially in relation to geopolitical tensions and international trade. This uncertainty is expected to act as a drag on economic activity. Amid this backdrop, the International Monetary Fund (IMF) has revised lower its forecast for global growth from 3.3% to 2.8%, which would be a slowdown compared with the 3.3% increase registered in 2024. Overall, the IMF is less optimistic on the growth prospects for many of the major economies. It is expecting growth in 'advanced economies' to slow from 1.8% in 2024 to 1.4% this year. A key reason for the weaker pace of growth is an expected slowdown in the US economy (1.8%) and ongoing sluggish expansion in the Eurozone (0.8%) in 2025.

Ireland is not immune to this global uncertainty and the export side of the economy could face significant challenges amid ongoing trade tensions between the US and EU. However, domestic demand continues to register a solid performance, although the economy appears to be on a slower growth trajectory as capacity constraints act as a headwind to activity levels. Recent forecasts from the Economic and Social Research Institute (ESRI) and Central Bank of Ireland (CBI) show they expect underlying Irish economic growth in 2025 to be in the region of 2%.

Several factors should underpin growth in the Irish economy. Lower inflation, combined with solid wage growth, will help to boost real household disposable incomes, supporting the domestic economy. Private sector balance sheets remain characterised by low debt and high levels of savings. Fiscal policy is set to remain supportive in the context of the healthy state of the public finances. These buffers will be important if any downside risks emerge to impact growth in the highly open Irish economy. It is notable that the IDA reported a strong pipeline of foreign direct investment in H1 2025 despite the more challenging international environment.

As for AIB Group, we know what we have to deliver through our current strategic cycle, which remains central to our ambitions. While geopolitical uncertainty may temper global economic growth and have a level of impact on loan growth, our plan to the end of 2026 remains appropriate.

As we work towards the end of this cycle and beyond, I firmly believe that AIB is a fundamentally different organisation today; more customer focused, more innovative and with a comprehensive product suite that we continue to evolve. We've made huge strides in putting in place products and services that our customers want and delivering those products and services to our customers in the way that they want. The Group has demonstrated very clearly what we're capable of, with a strong foundation for further development in the years ahead.

Colin Hunt
Chief Executive Officer

31 July 2025

Reducing waste, feeding communities

AIB's long-standing partnership with FoodCloud has successfully prevented over 15,000 tonnes of good food from going to waste, redirecting it to charities and community groups across Ireland. This milestone reflects the continued success of a collaboration that began in 2018. Last year, FoodCloud and AIB launched a new community meals programme; and in the first 12 months, the programme has served more than 5,000 ready-to-eat meals to people in need, which averages around 100 meals per week.

In addition to the Group's support, AIB staff contributed over 11,000 volunteer hours since 2018 through tasks such as warehouse work, gleaning and meal preparation. The partnership highlights AIB's commitment to supporting social enterprises and building stronger, more resilient communities.

Business Review

In this section

Business Review –
1. Operating and Financial Review

Basis of Presentation

The operating and financial review is prepared using IFRS and non-IFRS measures to analyse the Group's performance, providing comparability period-on-period. These performance measures are consistent with those presented to the Board and Executive Leadership Team. Non-IFRS measures include management performance measures which are considered alternative performance measures (APMs). APMs arise where the basis of calculation is derived from non-IFRS measures. A description of the Group's APMs and their calculation is set out on page 24. These measures should be considered in conjunction with IFRS measures as set out in the condensed consolidated interim financial statements from page 65. A reconciliation between the IFRS and management performance summary income statements is set out on page 25.

Figures presented in the operating and financial review may be subject to rounding and thereby differ to the Risk Management section and the condensed consolidated interim financial statements.

Basis of calculation
Percentages are calculated on exact numbers and therefore may differ from the percentages based on rounded numbers. The impact of currency movements is calculated by comparing the results for the current reporting period to the results for the comparative reporting period retranslated at exchange rates for the current reporting period.

Management performance – summary income statement	Half-year June 2025 € m	Half-year June 2024 € m	% change
Net interest income	1,874	2,075	-10
Total other income[1]	358	395	-9
Total operating income[1]	2,232	2,470	-10
Personnel expenses[1]	(477)	(478)	—
General and administrative expenses[1]	(358)	(320)	12
Depreciation, impairment and amortisation[1]	(144)	(149)	-3
Total operating expenses[1]	(979)	(947)	3
Bank levies and regulatory fees[1]	(108)	(128)	-16
Operating profit before impairment losses and exceptional items[1]	1,145	1,395	-18
Net credit impairment charge	(85)	(61)	39
Operating profit before exceptional items[1]	1,060	1,334	-20
Income from equity accounted investments	13	16	-19
Loss on disposal of business	—	(2)	
Profit before exceptional items[1]	1,073	1,348	-20
Exceptional items[1]	(4)	(55)	-93
Profit before taxation	1,069	1,293	-17
Income tax charge	(142)	(185)	-23
Profit for the period	927	1,108	-16

1. Performance has been adjusted to exclude items viewed as exceptional by management and which management view as distorting comparability of performance period-on-period. The adjusted performance measure is considered an APM.

Net interest income

Net interest income

€1,874m

Net interest income	Half-year June 2025 € m	Half-year June 2024 € m	% change
Interest income	**2,499**	2,676	-7
Interest expense	**(625)**	(601)	4
Net interest income	**1,874**	2,075	-10
Average interest earning assets	**136,070**	128,557	6
	%	%	change
Net interest margin (NIM)	**2.78**	3.24	-0.46

Net interest income

€1,874m

Net interest income of € 1,874 million reduced by € 201 million or 10% compared to the half-year to June 2024.

The reduction in net interest income reflects lower interest rates in the period compared to half-year June 2024 and an increase in interest expense on customer accounts partially offset by higher average interest earning assets.

Interest income

Interest income of € 2,499 million in the half-year to June 2025 decreased by € 177 million or 7% compared to the half-year to June 2024 primarily due to:

- Reduced asset yields driven by lower average Euro, Sterling and US Dollar interest rates reflecting the graduated reduction in official interest rates by central banks over the last 12 months; partially offset by:
- Higher average customer loan volumes primarily driven by an increase in new lending and the completion of loan acquisitions from Ulster Bank in the second half of 2024.
- Increase in loans and advances to banks and investment securities volumes.

Interest expense

Interest expense of € 625 million in the half-year to June 2025 increased by € 24 million or 4% compared to the half-year to June 2024.
The increase in funding costs was primarily due to:

- Higher interest expense on customer accounts as customers avail of higher yielding term products; partially offset by:
- Lower other debt issued and subordinated liabilities funding costs due to the impact of lower interest rates partially offset by higher MREL volumes.

Net interest margin

2.78%

NIM decreased by 46 basis points to 2.78% in the half-year to June 2025 compared to 3.24% in the half-year to June 2024 primarily driven by the impact of lower interest rates.

Average interest earning assets of € 136.1 billion in the half-year to June 2025 were € 7.5 billion or 6% higher compared to half-year to June 2024 primarily driven by an increase in customer accounts and other debt issued.

Average balance sheet

	Half-year 30 June 2025			Half-year 30 June 2024		
Assets	**Average balance € m**	**Interest € m**	**Average rate %**	Average balance € m	Interest € m	Average rate %
Loans and advances to customers[1]	**70,677**	**1,532**	**4.37**	67,034	1,344	4.02
Investment securities	**19,011**	**324**	**3.44**	17,636	433	4.93
Loans and advances to banks[2]	**46,382**	**643**	**2.80**	43,887	899	4.11
Average interest earning assets	**136,070**	**2,499**	**3.70**	128,557	2,676	4.18
Non-interest earning assets	**7,910**			7,844		
Total average assets	**143,980**	**2,499**		136,401	2,676	
Liabilities & equity						
Deposits by banks[2]	**1,453**	**21**	**2.93**	1,635	38	4.70
Customer accounts	**52,804**	**276**	**1.05**	47,968	200	0.84
Other debt issued	**9,618**	**242**	**5.08**	8,571	280	6.55
Subordinated liabilities	**1,635**	**44**	**5.44**	1,554	56	7.19
Lease liabilities	**253**	**5**	**3.93**	275	4	2.89
Average interest earning liabilities	**65,763**	**588**	**1.80**	60,003	578	1.93
Non-trading derivatives (economic hedges)		**37**			23	
Non-interest earning liabilities	**62,274**			61,552		
Equity	**15,943**			14,846		
Total average liabilities & equity	**143,980**	**625**		136,401	601	
Net interest income		**1,874**	**2.78**		2,075	3.24

1. Income on Loans and advances to customers includes the negative impact of € 83 million from cash flow hedges in the half-year to June 2025 (half-year to June 2024: € 366 million). See note 3 in the condensed consolidated interim financial statements.
2. Loans and advances to banks and Deposits by banks include Securities financing.

Business Review –
1. Operating and Financial Review *continued*

Other income

Other income[1]
€358m

Other income[1]	**Half-year June 2025 € m**	Half-year June 2024 € m	% *change*
Net fee and commission income	**340**	336	*1*
Net trading income	**9**	9	*4*
Net gain on financial assets measured at FVTPL	**12**	29	*-60*
Other (expense)/income	**(3)**	21	
Total other income	**358**	395	*-9*

Other income[1]
€358m

Other income decreased by € 37 million or 9% compared to the half-year to June 2024 as higher fee and commission income was more than offset by lower equity investment gains and other items.

Net fee and commission income	**Half-year June 2025 € m**	Half-year June 2024 € m	% *change*
Customer accounts and payment services	**131**	137	*-4*
Card income	**86**	74	*16*
Customer related foreign exchange	**42**	47	*-10*
Wealth and insurance	**41**	38	*8*
Lending related fees	**28**	28	*-1*
Investment banking	**10**	8	*21*
Other fees and commissions	**2**	4	*-53*
Net fee and commission income	**340**	336	*1*

Net fee and commission income of € 340 million in the half-year to June 2025 increased by € 4 million compared to the half-year to June 2024 primarily reflecting higher card, wealth and insurance and investment banking income partially offset by lower customer accounts and payment services and customer related foreign exchange income.

Net trading income of € 9 million was in line with the half-year to June 2024.

Net gain on financial assets measured at fair value of € 12 million in the half-year to June 2025 decreased by € 17 million compared to the half-year to June 2024 primarily due to a lower gain on equity investments reflecting lower disposals in the current period.

Other expense of € 3 million in the half-year to June 2025 decreased by € 24 million compared to other income of € 21 million in the half-year to June 2024 primarily driven by a loss on repurchase of debt securities and non-recurrence of a gain on disposal of loans.

IFRS basis

On an IFRS basis other income was € 358 million in the half-year to June 2025 compared to € 405 million in the half-year to June 2024 which included a net gain of € 10 million on exceptional items[1].

1. Other income before exceptional items. A net gain of € 10 million on exceptional items was recognised in the half-year to June 2024 comprising of net fee and commission income of € 15 million offset by a € 5 million net loss on disposal of loan portfolios.

Operating expenses

Total operating expenses[1]

€979m

Operating expenses[1]	Half-year June 2025 € m	Half-year June 2024 € m	% change
Personnel expenses	**477**	478	—
General and administrative expenses	**358**	320	*12*
Depreciation, impairment and amortisation	**144**	149	*-3*
Total operating expenses	**979**	947	*3*
Staff numbers at period end[2]	**10,375**	10,617	*-2*
Average staff numbers[2]	**10,423**	10,602	*-2*

Total operating expenses[1]

€979m

Total operating expenses of € 979 million increased by € 32 million or 3% compared to the half-year to June 2024.

Personnel expenses
Personnel expenses decreased by € 1 million compared to the half-year to June 2024 primarily due to lower average staff numbers partially offset by salary inflation.

Staff numbers at period end were 2% lower compared to the half-year to June 2024.

General and administrative expenses
General and administrative expenses increased by € 38 million compared to the half-year to June 2024 primarily driven by higher investment spend and inflation.

Depreciation, impairment and amortisation
Depreciation, impairment and amortisation decreased by € 5 million compared to the half-year to June 2024.

Cost income ratio[1]

44%

Costs of € 979 million and income of € 2,232 million resulted in a cost income ratio of 44% in the half-year to June 2025 compared to 38% in the half-year to June 2024.

Bank levies and regulatory fees

€108m

Bank levies and regulatory fees	Half-year June 2025 € m	Half-year June 2024 € m	Full-year 2024 € m
Irish bank levy	**94**	102	94
Deposit Guarantee Scheme	**—**	11	11
Other regulatory levies and charges	**14**	15	33
Total bank levies and regulatory fees	**108**	128	138

Total bank levies and regulatory fees of € 108 million decreased by € 20 million compared to the half-year to June 2024 due to a reduction in the Irish bank levy, in line with the full-year 2024 outturn, and in Deposit Guarantee Scheme (DGS) fees.

The Irish DGS Contributory Fund has reached its target funding level with future contributions to the fund dependent on growth in covered deposits.

IFRS basis
On an IFRS basis total costs, including bank levies and regulatory fees of € 108 million and the cost of exceptional items[3] of € 4 million, were € 1,091 million in the half-year to June 2025 compared to € 1,140 million in the half-year to June 2024. This results in a cost income ratio (IFRS basis) of 49% in the half-year to June 2025, compared to 46% in the half-year to June 2024.

1. Before bank levies and regulatory fees and exceptional items.
2. Staff numbers are on a full time equivalent (FTE) basis.
3. The cost of exceptional items of € 4 million in the half-year to June 2025 (half-year to June 2024: € 65 million) comprised: personnel expenses € 5 million (half-year to June 2024: Nil) and general and administrative writeback of € 1 million (half-year to June 2024: € 65 million expense).

Business Review – 1. Operating and Financial Review *continued*

Net credit impairment charge

€85m

There was a net credit impairment charge of € 85 million in the half-year to June 2025 (half-year to June 2024: € 61 million) comprising a € 77 million charge on loans and advances to customers (half-year to June 2024: € 63 million) and an € 8 million charge for investment securities exposures (half-year to June 2024: € 2 million net impairment writeback).

The net credit impairment charge on loans and advances to customers in the half-year to June 2025 reflected:

- Property and construction portfolio net credit impairment charge of € 37 million (half-year to June 2024: € 13 million).
- Personal portfolio net credit impairment charge of € 35 million (half-year to June 2024: € 33 million).
- Non-property business portfolio net credit impairment charge of € 14 million (half-year to June 2024: € 10 million).
- Residential mortgage portfolio net credit impairment writeback of € 9 million (half-year to June 2024: € 7 million charge).

For further information see pages 29 to 61 in the Risk Management section.

Income tax charge

€142m

The income tax charge was € 142 million in the half-year to June 2025 (half-year to June 2024: € 185 million), representing an effective tax rate of 13% (half-year to June 2024: 14%). The effective tax rate is influenced by geographic mix of profit streams which may be taxed at different rates.

For further information, see notes 8 and 16 of the condensed consolidated interim financial statements.

Exceptional items

€4m

Exceptional items	Half-year June 2025 € m	Half-year June 2024 € m
Restructuring costs	**(5)**	—
Customer redress	**1**	(47)
Inorganic transaction costs	**—**	(18)
Loss on disposal of loan portfolios	**—**	(5)
Other	**—**	15
Total exceptional items	**(4)**	(55)

These (costs)/gains were viewed as exceptional by management.

Restructuring costs reflect termination benefit costs in the half-year to June 2025.

Assets

Gross loans to customers
€71.6bn

New lending
€6.9bn

Assets	30 June 2025 € bn	31 December 2024 € bn	% change
Gross loans to customers	**71.6**	71.2	*1*
ECL allowance	**(1.4)**	(1.3)	*2*
Net loans to customers	**70.2**	69.9	—
Investment securities	**20.9**	18.7	*12*
Loans and advances to banks	**38.7**	38.6	—
Securities financing	**7.1**	6.6	*7*
Other assets	**7.4**	7.5	*-1*
Total assets	**144.3**	141.3	*2*

Gross loans to customers
€71.6bn

Gross loans to customers, excluding the negative impact of currency movements of € 0.7 billion increased by € 1.1 billion compared to 31 December 2024 driven by strong new lending of € 6.9 billion which exceeded redemptions of € 5.7 billion.

New lending
€6.9bn

New lending of € 6.9 billion in the half-year to June 2025 was € 0.6 billion or 9% higher compared to the half-year to June 2024.

New lending comprises € 6.2 billion term lending in the half-year to June 2025 (€ 5.7 billion in the half-year to June 2024) and € 0.7 billion transaction lending (€ 0.6 billion in the half-year to June 2024).

Irish mortgage lending in the half-year to June 2025 of € 1.9 billion, representing a market share of 31.8% (half-year to June 2024: 36.4%), was 4% higher compared to the half-year to June 2024.

Personal lending was up 4% to € 0.7 billion.

Non-property lending of € 3.1 billion was in line with the half-year to June 2024.

Property-related lending was 73% higher at € 1.0 billion reflecting some recovery in real estate lending from a low prior period.

Non-performing loans
€2.0bn

Non-performing loans ratio
2.8%

Non-performing loans of € 2.0 billion at 30 June 2025 were in line with 31 December 2024 with net flows to non-performing of € 0.3 billion offset by redemptions and write-offs of € 0.3 billion.

Non-performing loans ratio
Non-performing loans as a percentage of gross loans to customers was 2.8% at 30 June 2025 in line with 31 December 2024.

ECL allowance
€1.4bn

Non-performing loans cover
32%

The ECL allowance on loans (at amortised cost) of € 1.4 billion at 30 June 2025 was broadly in line with 31 December 2024.

Non-performing loans cover
The ECL allowance cover rate on non-performing loans of 32% was in line with 31 December 2024.

Summary of movement in loans to customers
The table below sets out the movement in loans to customers from 1 January 2025 to 30 June 2025.

Loans to customers	Performing loans € bn	Non-performing loans € bn	Loans to customers € bn
Gross loans (opening balance 1 January 2025)	**69.2**	**2.0**	**71.2**
New lending	**6.9**	**—**	**6.9**
Redemptions of existing loans	**(5.5)**	**(0.2)**	**(5.7)**
Net movement to non-performing	**(0.3)**	**0.3**	**—**
Restructures and write-offs	**—**	**(0.1)**	**(0.1)**
Foreign exchange & other movements	**(0.7)**	**—**	**(0.7)**
Gross loans (closing balance 30 June 2025)	**69.6**	**2.0**	**71.6**
ECL allowance	**(0.7)**	**(0.7)**	**(1.4)**
Net loans (closing balance 30 June 2025)	**68.9**	**1.3**	**70.2**

Business Review – 1. Operating and Financial Review *continued*

Assets *continued*

The table below summarises the credit profile of the loan portfolio by asset class and includes a range of credit metrics that the Group uses in managing the portfolio. Further information on the Group's risk profile and non-performing loans is available in the Risk Management section on pages 29 to 61.

					At amortised cost
Loan portfolio profile 30 June 2025	**Residential mortgages € bn**	**Other personal € bn**	**Property and construction € bn**	**Non-property business € bn**	**Total € bn**
Gross loans to customers	**37.2**	**3.4**	**8.8**	**22.1**	**71.5**
Of which: Stage 2	***1.8***	***0.6***	***3.1***	***3.2***	***8.7***
Non-performing loans[1]	***0.8***	***0.1***	***0.6***	***0.5***	***2.0***
Total ECL allowance	**0.3**	**0.2**	**0.5**	**0.4**	**1.4**
Total ECL allowance cover	**0.7 %**	**4.9 %**	**5.6 %**	**2.0 %**	**1.9 %**
ECL allowance cover Stage 2	**2.7 %**	**8.9 %**	**7.1 %**	**5.0 %**	**5.6 %**
ECL allowance cover non-performing	**25.1 %**	**70.7 %**	**33.4 %**	**30.7 %**	**31.8 %**
31 December 2024	€ bn	€ bn	€ bn	€ bn	€ bn
Gross loans to customers	37.0	3.3	8.7	22.2	71.2
Of which: Stage 2	*1.9*	*0.6*	*2.7*	*2.8*	*8.0*
Non-performing loans[1]	*0.9*	*0.1*	*0.5*	*0.5*	*2.0*
Total ECL allowance	0.3	0.1	0.4	0.5	1.3
Total ECL allowance cover	0.7 %	4.2 %	5.3 %	2.1 %	1.9 %
ECL allowance cover Stage 2	2.8 %	8.4 %	8.3 %	7.0 %	6.6 %
ECL allowance cover non-performing	24.1 %	66.0 %	33.2 %	39.2 %	32.4 %

1. Non-performing loans as a percentage of gross loans was 2.8% at 30 June 2025 (31 December 2024: 2.8%), comprised Mortgages 2.2% (31 December 2024: 2.4%), Personal 3.9% (31 December 2024: 3.1%), Property and construction 6.6% (31 December 2024: 6.1%) and Non-property business 2.2% (31 December 2024: 2.2%).

Investment securities
Investment securities of € 20.9 billion, primarily held for liquidity purposes, increased by € 2.2 billion from 31 December 2024 due to increased holdings in government and supranational securities.

Loans and advances to banks
Loans and advances to banks of € 38.7 billion, including € 37.3 billion of cash and balances at central banks, were € 0.1 billion higher than 31 December 2024.

Securities financing
Securities financing of € 7.1 billion increased by € 0.5 billion from 31 December 2024.

Other assets
Other assets of € 7.4 billion comprised:
- Deferred tax assets of € 2.2 billion, a decrease of € 0.1 billion from 31 December 2024.
- Derivative financial instruments of € 2.1 billion were in line with 31 December 2024.
- Remaining assets of € 3.1 billion were in line with 31 December 2024.

Liabilities & equity

Customer accounts
€112.5bn

Equity
€14.3bn

Liabilities & equity	30 June 2025 € bn	31 Dec 2024 € bn	% change
Customer accounts	**112.5**	109.9	*2*
Deposits by banks	**1.0**	0.8	*19*
Debt securities in issue	**9.4**	8.8	*6*
Subordinated liabilities	**1.6**	1.6	*1*
Other liabilities	**5.5**	4.8	*15*
Total liabilities	**130.0**	125.9	*3*
Equity	**14.3**	15.4	*-7*
Total liabilities & equity	**144.3**	141.3	*2*

	%	%	change
Loan to deposit ratio	**62**	64	*-2*

Customer accounts
€112.5bn

Customer accounts increased by € 2.6 billion or 2% compared to 31 December 2024 driven by an increase in personal and SME balances.

Interest-bearing customer accounts of € 53.8 billion at half-year June 2025 increased by € 2.4 billion or 5% compared to 31 December 2024 driven by an increase in term and notice deposits. The mix between current and interest-bearing customer accounts remained in line with 31 December 2024.

Loan to deposit ratio
The loan to deposit ratio of 62% at 30 June 2025 was broadly in line with 31 December 2024.

Deposits by banks
Deposits by banks of € 1.0 billion increased by € 0.2 billion compared to 31 December 2024.

Debt securities in issue
Debt securities of € 9.4 billion increased by € 0.6 billion from 31 December 2024 driven by an increase in MREL related volumes of € 0.5 billion as well as an increase in commercial paper of € 0.1 billion.

Subordinated liabilities
Subordinated liabilities of € 1.6 billion were in line with 31 December 2024.

Other liabilities
Other liabilities of € 5.5 billion comprised:
- Derivative financial instruments of € 1.4 billion, a decrease of € 0.4 billion from 31 December 2024.
- Securities financing of € 1.0 billion, an increase of € 0.8 billion from 31 December 2024.
- Remaining liabilities of € 3.1 billion, an increase of € 0.3 billion from 31 December 2024.

Equity
€14.3bn

Equity decreased by € 1.1 billion to € 14.3 billion compared to € 15.4 billion at 31 December 2024.

The table below sets out the movements to 30 June 2025.

Equity	€ bn
Opening balance (1 January 2025)	**15.4**
Profit for the period	**0.9**
Distributions paid	**(2.1)**
AT1	**0.1**
Closing balance (30 June 2025)	**14.3**

Distributions paid in the period included the buyback of ordinary shares of € 1.2 billion and a dividend payment on ordinary shares of € 0.9 billion.

In the half-year to June 2025 the Group issued € 0.7 billion of Additional Tier 1 securities at a fixed rate of 6% and completed the redemption of existing Additional Tier 1 securities of € 0.6 billion.

Business Review –
1. Operating and Financial Review *continued*

Segment overview

The Group's performance in H1 2025 was managed and reported across Retail Banking, AIB Capital Markets (Capital Markets), Climate Capital, AIB UK and Group segments. Segment performance excludes exceptional items.

In July the Group announced the integration of our UK business into Retail Banking, enhancing our all-Ireland offering and continuing collaboration with Capital Markets and Climate Capital to align our wholesale business lines and improving operational efficiencies and customer experience.

Retail Banking

Our leading Irish retail franchise provides a comprehensive range of products and services to more than 3 million customers delivered through our branch, digital and phone banking channels; with an expanded reach into the retail customer base via EBS, Haven, AIB Merchant Services, Payzone, Nifti and AIB life.

- Homes and Consumer are responsible for meeting the everyday banking needs of customers in Ireland by delivering innovative products, propositions and services and for growing our market leading positions. Our aim is to achieve a seamless and transparent customer experience across all our products and services including mortgages, current accounts, personal lending, payments and credit cards, deposits, wealth and insurance.
- SME serves our micro and small SME customers through our sector-led strategy and local expertise, with an extensive product and services offering. Our aim is to help our customers create and build sustainable businesses in their communities.

Capital Markets

Capital Markets provides institutional, corporate and business banking services to the Group's larger customers and customers requiring specific sector or product expertise. Capital Markets' relationship-driven model serves customers through sector specialist teams including corporate banking, real estate finance and business banking.

In addition to traditional credit products, Capital Markets offers customers foreign exchange and interest rate risk management products, cash management products, trade finance, mezzanine finance, structured and specialist finance and equity investments, as well as Private Banking services and advice. Capital Markets also has syndicated and international finance teams based in Dublin and in New York.

Goodbody offers further capabilities in wealth management, asset management and investment banking services. It also provides investment support for Irish venture capital and private equity funds and a range of bespoke funding and investment solutions for growing Irish-based SMEs.

Climate Capital

Climate Capital specialises in lending to large scale renewable energy and infrastructure projects, which are key drivers for sustainable economic growth. The business serves the Irish, UK, European and North American markets through offices in Dublin, London and New York.

AIB UK

AIB UK offers corporate, retail and business banking services in two distinct markets:

- A sector-led corporate bank supporting medium to large corporates focused on infrastructure, housing, commercial real estate, health, hotels and diversified businesses across both Great Britain and Northern Ireland. Services include lending, treasury, trade facilities, asset finance and invoice discounting.
- A full-service retail bank in Northern Ireland (AIB NI) to personal and business customers, with a focus on mortgage and business lending.

Group

Group comprises wholesale treasury activities and Group control and support functions. Treasury manages the Group's liquidity and funding positions and provides customer treasury services and economic research. The Group control and support functions in the period included Technology and Data, Operations and Business Services, Finance, Risk, Legal, Corporate Governance, Chief Customer Office, Human Resources, Strategy and Sustainability, Corporate Affairs and Group Internal Audit.

Segment allocations

Under the Group's cost allocation methodology, substantially all of the costs of the Group's control, support and Treasury functions are allocated to Retail Banking, Capital Markets, Climate Capital and AIB UK. In addition, certain Bank levies and regulatory fees, such as the Irish bank levy, are allocated to the Retail Banking, Capital Markets and Climate Capital segments.

Funding and liquidity income/charges are based on each segment's funding requirements and the Group's funding cost profile, which is informed by wholesale and retail funding costs. Income attributable to capital is allocated to segments based on each segment's capital requirement.

Retail Banking

Retail Banking contribution statement	Half-year June 2025 € m	Half-year June 2024 € m	% change
Net interest income	**1,189**	1,324	*-10*
Other income	**243**	240	*1*
Total operating income	**1,432**	1,564	*-8*
Total operating expenses	**(671)**	(652)	*3*
Bank levies and regulatory fees	**(91)**	(101)	*-10*
Operating contribution before impairments and exceptional items	**670**	811	*-17*
Net credit impairment charge	**(31)**	(21)	*48*
Operating contribution before exceptional items	**639**	790	*-19*
Income from equity accounted investments	**11**	13	*-15*
Contribution before exceptional items	**650**	803	*-19*

Net interest income

€1,189m

Net interest income reduced by € 135 million compared to the half-year to June 2024 primarily driven by the impact of lower interest rates and higher interest expense on customer accounts partially offset by an increase in average loan volumes, including the acquisition of loans from Ulster Bank in the second half of 2024.

Other income

€243m

Other income increased by € 3 million compared to the half-year to June 2024 primarily driven by higher card income partially offset by lower customer account and customer foreign exchange fees.

Total operating expenses

€671m

Total operating expenses increased by € 19 million compared to the half-year to June 2024 due to higher general and administrative expenses partially offset by lower personnel expenses.

Bank levies and regulatory fees

€91m

Bank levies and regulatory fees decreased to € 91 million compared to € 101 million to the half-year to June 2024 due to a reduction in the Irish bank levy.

Net credit impairment charge

€31m

There was a net credit impairment charge of € 31 million in the half-year to June 2025 (half-year June 2024: € 21 million). This comprised a charge on personal of € 36 million partially offset by writebacks on mortgages of € 5 million.

Retail Banking balance sheet metrics	30 June 2025 € bn	30 June 2024 € bn	% change
Mortgages	**1.9**	1.8	
Personal	**0.7**	0.7	
Property	**0.1**	0.1	
Non-property business	**0.4**	0.5	
New lending	**3.1**	3.1	—
	30 June 2025 € bn	31 December 2024 € bn	
Mortgages	**35.7**	35.5	
Personal	**3.2**	3.1	
Property	**0.4**	0.4	
Non-property business	**3.1**	3.1	
Gross loans	**42.4**	42.1	*1*
ECL allowance	**(0.5)**	(0.5)	*9*
Net loans	**41.9**	41.6	*1*
Current Accounts	**48.0**	47.0	*2*
Deposits	**39.2**	37.2	*5*
Customer accounts	**87.2**	84.2	*4*

New lending

€3.1bn

New lending of € 3.1 billion was in line with the half-year to June 2024 with an increase in mortgage offset by lower SME lending.

Gross loans

€42.4bn

Gross loans increased by € 0.3 billion or 1% to € 42.4 billion as new lending exceeded redemptions.

ECL allowance

€0.5bn

The ECL allowance of € 0.5 billion at 30 June 2025 was in line with 31 December 2024.

Customer accounts

€87.2bn

Customer accounts increased by € 3.0 billion compared to 31 December 2024 driven by higher personal and SME balances.

Business Review – 1. Operating and Financial Review *continued*

Capital Markets

Capital Markets contribution statement	Half-year June 2025 € m	Half-year June 2024 € m	% change
Net interest income	**392**	456	*-14*
Other income	**92**	117	*-21*
Total operating income	**484**	573	*-16*
Total operating expenses	**(187)**	(179)	*4*
Bank levies and regulatory fees	**(13)**	(16)	*-19*
Operating contribution before impairments and exceptional items	**284**	378	*-25*
Net credit impairment charge	**(1)**	(15)	
Contribution before exceptional items	**283**	363	*-22*

Net interest income

€392m

Net interest income reduced by € 64 million compared to the half-year to June 2024 primarily driven by the impact of lower interest rates and higher interest expense on customer accounts.

Other income

€92m

Other income decreased by € 25 million compared to the half-year to June 2024 primarily driven by lower income from equity investments and as the prior period benefited from gains on the disposal of individual loans for credit management purposes.

Total operating expenses

€187m

Total operating expenses increased by € 8 million compared to the half-year to June 2024 primarily due to higher general and administrative expenses.

Bank levies and regulatory fees

€13m

Bank levies and regulatory fees decreased to € 13 million in the half-year to June 2025 compared to € 16 million in the half-year to June 2024 due to a reduction in the Irish bank levy.

Net credit impairment charge

€1m

There was a net credit impairment charge of € 1 million in the half-year to June 2025 (half-year to June 2024: € 15 million). This comprised a charge on property of € 16 million offset by a writeback on non-property business of € 15 million.

Capital Markets balance sheet metrics	30 June 2025 € bn	30 June 2024 € bn	% change
Property	**0.5**	0.3	
Non-property business	**1.7**	1.6	
New lending	**2.2**	1.9	*12*
	30 June 2025 € bn	**31 December 2024 € bn**	
Mortgages	**0.5**	0.5	
Personal	**0.1**	0.1	
Property	**5.9**	5.9	
Non-property business	**10.7**	11.1	
Gross loans	**17.2**	17.6	*-2*
ECL allowance	**(0.6)**	(0.6)	*-2*
Net loans	**16.6**	17.0	*-2*
Investment securities	**2.4**	2.5	*-4*
Current accounts	**9.7**	10.4	*-7*
Deposits	**5.8**	5.2	*11*
Customer accounts	**15.5**	15.6	*-1*

New lending

€2.2bn

New lending of € 2.2 billion was € 0.3 billion or 12% higher than the half-year to June 2024 driven by growth in property and corporate lending in Ireland.

Gross loans

€17.2bn

Gross loans decreased by € 0.4 billion to € 17.2 billion primarily due to the adverse impact of foreign exchange movements.

ECL allowance

€0.6bn

The ECL allowance of € 0.6 billion at 30 June 2025 was in line with 31 December 2024.

Customer accounts

€15.5bn

Customer accounts decreased by € 0.1 billion compared to 31 December 2024.

Climate Capital

Climate Capital contribution statement	Half-year June 2025 € m	Half-year June 2024 € m	% change
Net interest income	69	51	35
Other income	9	6	50
Total operating income	78	57	37
Total operating expenses	(22)	(20)	10
Bank levies and regulatory fees	(1)	—	
Operating contribution before impairments and exceptional items	55	37	49
Net credit impairment writeback/ (charge)	7	(4)	
Contribution before exceptional items	62	33	88

Net interest income

€69m

Net interest income has increased by € 18 million compared to the half-year to June 2024 primarily driven by higher average loan volumes.

Other income

€9m

Other income has increased by € 3 million compared to the half-year to June 2024.

Total operating expenses

€22m

Total operating expenses increased by € 2 million compared to the half-year to June 2024 primarily due to higher personnel expenses driven by higher staff numbers to support the growing business.

Net credit impairment writeback

€7m

There was a net credit impairment writeback of € 7 million in the half-year to June 2025 compared to a charge of € 4 million in the half-year to June 2024.

Climate Capital balance sheet metrics	30 June 2025 € bn	30 June 2024 € bn	% change
New lending	0.6	0.8	-23
	30 June 2025 € bn	31 December 2024 € bn	
Climate Capital Europe	1.4	1.4	
Climate Capital Ireland	1.4	1.1	
Climate Capital UK	2.1	1.9	
Climate Capital North America	1.1	1.1	
Gross loans	6.0	5.5	9
ECL allowance	0.0	0.0	
Net loans	6.0	5.5	10
Investment securities	0.1	0.1	
Current accounts	0.3	0.2	49
Deposits	0.1	0.2	-54
Customer accounts	0.4	0.4	-2

New lending

€0.6bn

New lending of € 0.6 billion was € 0.2 billion lower than the half-year to June 2024.

Gross loans

€6.0bn

Gross loans increased by € 0.5 billion or 9% to € 6.0 billion driven by new lending exceeding redemptions.

Customer accounts

€0.4bn

Customer accounts were in line with 31 December 2024.

Business Review – 1. Operating and Financial Review *continued*

AIB UK

AIB UK contribution statement	Half-year June 2025 £ m	Half-year June 2024 £ m	% change
Net interest income	**145**	163	*-11*
Other income	**14**	17	*-16*
Total operating income	**159**	180	*-12*
Total operating expenses	**(80)**	(76)	*5*
Operating contribution before impairments and exceptional items	**79**	104	*-24*
Net credit impairment charge	**(44)**	(18)	
Operating contribution before exceptional items	**35**	86	*-59*
Income from equity accounted investments	**2**	3	*-34*
Contribution before exceptional items	**37**	89	*-58*
Contribution before exceptional items € m	**43**	104	*-59*

AIB UK balance sheet metrics	30 June 2025 £ bn	30 June 2024 £ bn	% change
AIB GB Corporate	**0.7**	0.3	
AIB NI Retail	**0.1**	0.1	
New lending	**0.8**	0.4	
	30 June 2025 £ bn	**31 December 2024 £ bn**	
AIB GB Corporate	**3.9**	3.8	
AIB NI Retail	**1.2**	1.2	
Gross loans	**5.1**	5.0	*2*
ECL allowance	**(0.1)**	(0.1)	*7*
Net loans	**5.0**	4.9	*2*
Current accounts	**3.6**	3.7	*-4*
Deposits	**3.6**	3.4	*7*
Customer accounts	**7.2**	7.1	*1*

Net interest income

£145m

Net interest income reduced by £ 18 million compared to the half-year to June 2024 primarily driven by the impact of lower interest rates and higher interest expense on customer accounts.

Other income

£14m

Other income of £ 14 million decreased by £ 3 million compared to the half-year to June 2024 driven by a loss on the disposal of legacy assets.

Total operating expenses

£80m

Total operating expenses increased by £ 4 million compared to the half-year to June 2024 due to higher general and administrative and personnel expenses.

Net credit impairment charge

£44m

There was a net credit impairment charge of £ 44 million in the half-year to June 2025 compared to £ 18 million in the half-year to June 2024. This comprised a charge of £ 24 million on non-property business and £ 20 million on property.

New lending

£0.8bn

New lending of £ 0.8 billion in the half-year to June 2025 increased by £ 0.4 billion compared to the half-year to June 2024 driven by strong growth in property, as we continue to focus on our chosen market sectors such as residential investment.

Gross loans

£5.1bn

Gross loans increased by £ 0.1 billion or 2% to £ 5.1 billion driven by new lending exceeding redemptions.

ECL allowance

£0.1bn

The ECL allowance of £ 0.1 billion at 30 June 2025 was in line with 31 December 2024.

Customer accounts

£7.2bn

Customer accounts of £ 7.2 billion at 30 June 2025 increased by £ 0.1 billion compared to 31 December 2024.

Group

Group contribution statement	Half-year June 2025 € m	Half-year June 2024 € m	% change
Net interest income	**52**	53	*-2*
Other (expense)/income	**(3)**	12	
Total operating income	**49**	65	*-25*
Total operating expenses	**(4)**	(7)	*-43*
Bank levies and regulatory fees	**(2)**	(11)	*-82*
Operating contribution before impairments and exceptional items	**43**	47	*-9*
Net credit impairment charge	**(8)**	—	
Loss on disposal of business	**—**	(2)	
Contribution before exceptional items	**35**	45	*-22*

Group balance sheet metrics	30 June 2025 € bn	31 December 2024 € bn	% change
Investment securities	**18.4**	16.1	*14*
Securities financing	**7.1**	6.6	*8*
Customer accounts	**1.0**	1.2	*-15*

Total operating income

€49m

Total operating income of € 49 million decreased by € 16 million compared to the half-year to June 2024 primarily due to the loss on repurchase of debt securities and interest rate related impacts.

Total operating expenses

€4m

Total operating expenses of € 4 million decreased by € 3 million compared to the half-year to June 2024.

Bank levies and regulatory fees

€2m

Bank levies and regulatory fees decreased by € 9 million compared to the half-year to June 2024 due to lower Deposit Guarantee Scheme fees.

Investment securities

€18.4bn

Investment securities of € 18.4 billion, primarily held for liquidity purposes, increased by € 2.3 billion from 31 December 2024 due to increased holdings in government and supranational securities.

Securities financing

€7.1bn

Securities financing of € 7.1 billion increased by € 0.5 billion from 31 December 2024.

Customer accounts

€1.0bn

Customer accounts were € 1.0 billion at 30 June 2025 compared to € 1.2 billion at 31 December 2024.

Business Review – 1. Operating and Financial Review *continued*

Alternative performance measures

The following is a list, together with a description, of APMs used in analysing the Group's performance, provided in accordance with the European Securities and Markets Authority (ESMA) guidelines.

Average rate	Interest income/expense for balance sheet categories divided by corresponding average balance.
Average balance	Average balances for interest-earning assets are based on daily balances. Average balances for interest-earning liabilities are based on a combination of daily/monthly balances, with the exception of customer accounts and deposits by banks which are based on daily balances.
Absolute cost base	Total operating expenses excluding exceptional items, bank levies and regulatory fees.
Cost income ratio	Total operating expenses excluding exceptional items, bank levies and regulatory fees divided by total operating income excluding exceptional items.
Cost income ratio (IFRS basis)	Total operating expenses divided by total operating income.
Exceptional items	Performance measures have been adjusted to exclude items viewed as exceptional by management and which management views as distorting the comparability of performance period-on-period. The adjusted performance measure is considered an APM. A reconciliation between the IFRS and management performance summary income statements is set out on page 25. Exceptional items include: • ***Customer redress*** reflects a provision for remediation payments to customers and associated costs in respect of legacy matters. • ***Inorganic transaction costs*** included costs associated with the acquisition and migration of a portfolio of Ulster Bank corporate and commercial loans and a portfolio of Ulster Bank tracker (and linked) mortgages. • ***Restructuring costs*** primarily reflect termination benefits. • ***Loss on disposal of loan portfolios*** relates to the disposal of non-performing loan portfolios. • ***Other*** included a fee receivable on the exit of a servicing agreement for a non-core legacy business.
Loan to deposit ratio	Net loans and advances to customers divided by customer accounts.
Net interest margin	Net interest income divided by average interest-earning assets.
Non-performing exposures	Non-performing exposures as defined by the European Banking Authority, include loans and advances to customers (non-performing loans) and off-balance sheet exposures such as loan commitments and financial guarantee contracts.
Non-performing loans cover	ECL allowance on non-performing loans at amortised cost as a percentage of non-performing loans at amortised cost.
Non-performing loans ratio	Non-performing loans as a percentage of total gross loans.
Return on Tangible Equity (RoTE)	Profit after tax less AT1 coupons paid, divided by targeted CET1 capital on fully loaded basis. Details of the Group's RoTE is set out in the Capital section on page 28.
Management performance – summary income statement	The following line items in the management performance summary income statement are considered APMs: • Total other income • Total operating income • Personnel expenses • General and administrative expenses • Depreciation, impairment and amortisation • Total operating expenses • Bank levies and regulatory fees • Operating profit before impairment losses and exceptional items • Operating profit before exceptional items • Profit before exceptional items • Exceptional items

Reconciliation between IFRS and management performance summary income statements

Performance has been adjusted to exclude items viewed as exceptional by management and which management views as distorting the comparability of performance period-on-period. The adjusted performance measure is considered an APM. A reconciliation of management performance measures to the directly related IFRS measures, providing their impact in respect of specific line items and the overall summary income statement, is set out below.

IFRS – summary income statement	Half-year June 2025 € m	Half-year June 2024 € m
Net interest income	1,874	2,075
Total other income	358	405
Total operating income	2,232	2,480
Total operating expenses	(1,091)	(1,140)
Operating profit before impairment losses	1,141	1,340
Net credit impairment charge	(85)	(61)
Operating profit	1,056	1,279
Income from equity accounted investments	13	16
Loss on disposal of business	—	(2)
Profit before taxation	1,069	1,293
Income tax charge	(142)	(185)
Profit for the period	927	1,108

Adjustments – between IFRS and management performance					
Total other income	***of which: exceptional items***				
	Loss on disposal of loan portfolios	—		5	
	Other	—		(15)	
			—		(10)
Total operating expenses	***of which: bank levies and regulatory fees***		108		128
	of which: exceptional items				
	Restructuring costs	5		—	
	Customer redress	(1)		47	
	Inorganic transaction costs	—		18	
			4		65

Management performance – summary income statement	Half-year June 2025 € m	Half-year June 2024 € m
Net interest income	1,874	2,075
Total other income[1]	358	395
Total operating income[1]	2,232	2,470
Total operating expenses[1]	(979)	(947)
Bank levies and regulatory fees[1]	(108)	(128)
Operating profit before impairment losses and exceptional items[1]	1,145	1,395
Net credit impairment charge	(85)	(61)
Operating profit before exceptional items[1]	1,060	1,334
Income from equity accounted investments	13	16
Loss on disposal of business	—	(2)
Profit before exceptional items[1]	1,073	1,348
Exceptional items[1]	(4)	(55)
Profit before taxation	1,069	1,293
Income tax charge	(142)	(185)
Profit for the period	927	1,108

1. Performance has been adjusted to exclude items viewed as exceptional by management and which management view as distorting comparability of performance period-on-period. The adjusted performance measure is considered an APM.

Business Review – 2. Capital

Objectives

The objectives of the Group's capital management policy are to at all times comply with regulatory capital requirements and to ensure that the Group has sufficient capital to cover the current and future risk inherent in its business and to support its future development. Detail on the management of capital and capital adequacy risk can be found in Risk management 2.3 on page 235 of the Group's Annual Financial Report 2024.

Regulatory capital and capital ratios[1]

	Fully Loaded 30 June 2025 € m	Transitional 30 June 2025 € m	Fully Loaded 31 December 2024 € m
Equity[2]	13,415	13,415	15,437
Less: Additional Tier 1 Securities	(1,314)	(1,314)	(1,239)
Foreseeable charges/proposed ordinary dividend	—	—	(861)
Foreseeable charges/proposed share buyback	—	—	(1,201)
Regulatory adjustments:			
Intangible assets and goodwill	(591)	(591)	(548)
Cash flow hedging reserves	107	107	121
Pension	(18)	(18)	(26)
Deferred tax	(2,024)	(2,024)	(2,153)
Calendar provisioning[3]	(98)	(98)	(90)
Other	(147)	(147)	(64)
	(2,771)	(2,771)	(2,760)
Total common equity tier 1 capital	9,330	9,330	9,376
Additional tier 1 capital			
Additional tier 1 issuance	1,314	1,314	1,239
Other	(5)	(5)	(3)
Total additional tier 1 capital	1,309	1,309	1,236
Total tier 1 capital	10,639	10,639	10,612
Tier 2 capital			
Subordinated debt	1,647	1,647	1,661
IRB Excess of provisions over expected losses eligible	12	12	11
Other	(5)	(5)	(3)
Total tier 2 capital	1,654	1,654	1,669
Total capital	12,293	12,293	12,281
Risk-weighted assets			
Credit risk	49,482	48,300	53,806
Market risk	488	488	730
Operational risk	6,874	6,874	7,434
Credit valuation adjustment and settlement risk	69	69	60
Total risk-weighted assets	56,913	55,731	62,030
	%	%	%
Common equity tier 1 ratio	16.4	16.7	15.1
Tier 1 ratio	18.7	19.1	17.1
Total capital ratio	21.6	22.1	19.8

1. Prepared under the regulatory scope of consolidation.
2. The CET1 position does not include interim profits for the half-year 2025 pending a final decision on payout at year end.
3. Calendar provisioning is a Supervisory Review and Evaluation Process (SREP) recommendation to ensure minimum coverage levels on long term NPE exposures. The difference between the SREP recommended coverage levels and the IFRS 9 ECL coverage is taken as a CET1 deduction.

Key Points

- The Group is reporting a Fully Loaded CET1 Ratio of 16.4% at 30 June 2025 against a regulatory requirement of 11.3%.
- An interim dividend of 12.328 cent per share, equivalent to € 263 million from profits of € 0.9 billion.
- The Pillar 2 requirement (P2R) has decreased from 2.6% to 2.4% for 2025.
- A CET1 target of greater than 14.0%.

Capital requirements

The table below sets out the Group's capital requirements at 30 June 2025.

Regulatory capital requirements	30 June 2025
CET1 requirements	
Pillar 1	4.50 %
P2R	1.35 %
Combined buffer requirement	5.85 %
Capital Conservation Buffer (CCB)	*2.50 %*
O-SII buffer	*1.50 %*
Countercyclical buffer (CCyB) Impact	*1.45 %*
CET1 requirement	**11.30 %**
AT1	**1.95 %**
Tier 2	**2.60 %**
Total capital requirement	**15.85 %**

The table does not include Pillar 2 Guidance (P2G), which is not publicly disclosed.

The Central Bank of Ireland (CBI) increased the CCyB for Irish exposures to 1.5% on 7 June 2024 (equating to an estimated 1.08% Group requirement). The CCyB for UK exposures remains at 2% (equating to an estimated 0.29% Group requirement). Other jurisdictional exposures equate to a 0.08% Group requirement.

Capital ratios at 30 June 2025

The Fully Loaded CET1 Ratio increased to 16.4% at 30 June 2025 from 15.1% at 31 December 2024.

The increase in CET1 ratio is predominantly due to a reduction in Risk Weighted Assets (RWAs), as a result of the implementation of the Capital Requirements Regulation 3 (CRR3).

Basel IV capital regulations were enacted in EU legislation through the CRR3, which came into effect on 1 January 2025. The day 1 impact was a reduction in RWA (Fully Loaded), which equated to c. 120 bps of CET1. The key drivers of the reduction were a combination of reduced LGD input factors on certain Foundation IRB exposure classes, the removal of the IRB risk weight scalar of 1.06, new risk weightings for exposures secured by immovable property under the standardised basis and Operational Risk.

Profits in respect of the 6 months to June 2025 generated c. 150bps of CET1. The profits are not included in the reported CET1 position pending a final decision on payout at year end.

In the second half of the year, the Group expects a c. 35bps positive impact on completion of the sale of our share of AIB Merchant Services to Fiserv, Inc., our partner in the joint venture, and a c. 40bps[1] deduction when the warrants issued to the Minister for Finance at the time of the IPO are retired, for which negotiations are currently underway.

The Transitional CET1 and Total Capital Ratios are 16.7% and 22.1% at 30 June 2025.

The Fully Loaded Total Capital Ratio is 21.6% at 30 June 2025 (19.8% at 31 December 2024).

In January 2025, the Group issued a perpetual € 700 million Additional Tier 1 Instrument (first call date 14 July 2031) with a discretionary coupon of 6.0%. This issuance supported the redemption of € 625 million AT1, which was called on its first optional redemption date on 23 June 2025.

Distributions

The Group paid a cash dividend of 36.984 cent per share on 9 May 2025 in respect of the 2024 financial year, amounting to € 861 million. On 9 May 2025, following receipt of approval from shareholders at the Annual General Meeting, the Group completed an off-market purchase of 191,671,857 ordinary shares of € 0.625 each in the capital of AIB Group plc from the Minister for Finance for the total consideration of € 1.2 billion.

In respect of the six months to June 2025, the Board approved an interim dividend of 12.328 cent per share, equivalent to € 263 million. This will be paid on 11 November 2025 to shareholders on the register on 22 August 2025.

Model redevelopment

A revised bank exposure model implemented in April slightly reduces RWA. As further exposures transition from the standardised approach to IRB as part of model development there is the potential for RWA to increase.

Minimum requirement for own funds and eligible liabilities

At 30 June 2025, the Group has a MREL Ratio of 34.9% of RWAs (31 December 2024: 31.7%), which is in excess of the requirement of 28.9% of RWA including the combined buffer requirement.

In the six months to 30 June 2025, the Group issued a total of € 800 million and $ 750 million senior non-preferred MREL instruments.

1. Subject to market conditions.

Business Review – 2. Capital *continued*

Ratings

AIB Group plc is rated at investment grade with Moody's and S&P Global.

AIB Group plc

	30 June 2025	
Long-term ratings	**Moody's**	**S&P Global**
Long term	**A3**	**BBB**
Outlook	**Positive**	**Positive**
Investment grade	√	√

	31 December 2024	
Long-term ratings	Moody's	S&P Global
Long term	A3	BBB
Outlook	Positive	Positive
Investment grade	√	√

Return on Shareholder Equity (RoE)/Return on Tangible Equity (RoTE)

(RoE)/ (RoTE)	Half-year June 2025 € m	Half-year June 2024 € m
Profit after tax	**927**	1,108
AT1 coupons paid	**(42)**	(34)
Attributable earnings	**885**	1,074
Average Shareholder Equity	**13,614**	13,423
Return on Shareholder Equity[1]	**13.1%**	16.0%
Average RWA	**59,471**	60,207
RWA * 14% CET1 target[2]	**8,326**	8,429
Return on Tangible Equity[1]	**21.4%**	25.5%

Return on Assets

The Return on Assets (RoA) at 30 June 2025 is 1.2% (1.6% at 30 June 2024).

1. Annualised RoE, RoTE and RoA.
2. The Group's CET1 target for 2025 is greater than 14%.

Note: RoTE is considered an alternative performance measure.

Risk
Management

Inside this section

The information that follows in sections, paragraphs or tables denoted as reviewed in the Risk Management section forms an integral part of the condensed consolidated interim financial statements, as described in note 1. All other information, including tables, in the Risk Management section are additional disclosures and do not form part of the condensed consolidated interim financial statements.

Risk Management

Update on risk management and governance

The Group has a strong risk management approach to identify all risk types, including emerging risks, in order to protect its customers and achieve the Group's strategy. The Group's Risk Management Framework, which encompasses key principles and practices for managing the Group's risks, serves as a solid foundation for ensuring the identification and appropriate oversight of new risks from a governance standpoint. This robust Framework enables the Group to maintain a proactive and adaptable approach to risk management, allowing it to address emerging risks effectively. Further details on how risk is managed within the Group are set out in the Risk Management section of the Annual Financial Report 2024 on pages 180 to 246. There has been no significant change to the Group's Risk Management Framework during the first six months of the year.

The Group's Principal Risks and Uncertainties are identified by ongoing risk management practices as well as the annual Material Risk Assessment (MRA) process. Through these processes, combined with scenario analysis and stress testing, the Group considers risks that arise from the impact of external market developments, geopolitical events or other emerging risks which could potentially impact on its customers, earnings, capital and liquidity, as well as on its operations or reputation.

From 1 January 2025, Information Security (including Cyber) Risk has been deemed a principal risk for the Group. The Group's eleven principal risks should not be regarded as a complete and comprehensive statement of all potential risks and uncertainties. Other factors not yet identified, or not currently material, may adversely affect the Group.

Through the first half of 2025, geopolitical risk has continued to dominate the risk landscape. As well as ongoing conflicts, considerable uncertainty has been generated by the policy pronouncements by the new US administration.

In particular, ongoing uncertainty with respect to the imposition of tariffs on US imports, potential retaliatory measures, effects on supply chains and other changes to US tax policy continue to be closely monitored by the Group. These developments are likely to depress global economic growth generally but also pose significant risks for the Irish economy given its high level of exports to the US as well as its dependence on foreign multinationals.

Thus far, the high degree of uncertainty and market volatility has yet to meaningfully permeate into the economic data, which has been quite resilient both domestically and internationally. In fact, a high degree of frontrunning, particularly from the pharmaceutical sector, has meant that economic output in Ireland has shown a marked acceleration in the first half of the year. Even stripping away this effect, domestic indicators remain strong, with the labour market in particular being resilient.
As a result, the Group's performance has remained strong despite the aforementioned headwinds. However, the Group remains vigilant to the heightened risk environment and has undertaken both bottom-up and top-down analyses in order to better understand the potential impacts for the Group of a deterioration in conditions.

Notwithstanding the high degree of uncertainty, in terms of the outlook, it is expected that the pace of growth in Ireland will moderate in the coming quarters. In the UK, growth is forecast to strengthen from its recent slow pace, but this outlook is subject to significant downside risk, especially as, unlike Ireland, there is little fiscal room to manoeuvre to cushion the economy from future shocks. Although there are challenges for the Commercial Real Estate (CRE) market, key indicators (rising investment spend, stabilising yields and rising occupier take-up) suggest the market correction has largely concluded.

The Group continues to proactively identify potential risks and challenges and will respond accordingly. In the context of the current uncertain economic environment, the Group continues to ensure that high standards of prudent lending are maintained and those in vulnerable circumstances are treated appropriately.

Credit risk

Credit risk – Management judgements

Management judgements at 30 June 2025:
- In the year-to-date, the Irish economy has maintained robust growth driven by very strong goods exports and resilient domestic demand, outpacing its European peers. Globally, economic activity has slowed amid persistent trade tensions, while inflation is easing and central banks have further lowered rates. However, risks remain high due to uncertainty over the future shape of US policy as well as ongoing conflicts in Ukraine and the Middle East.
- Given this challenging international backdrop, the Group's view is that risks to the economic outlook remain tilted to the downside. For the purposes of IFRS 9 expected credit loss (ECL) reporting, the following weightings for end-June 2025 have been applied: Base scenario 50%, Upside scenario 5%, Downside 1 scenario 40% and Downside 2 scenario 5%. These weights remain unchanged compared with year-end 2024. Further details are outlined in the macroeconomic scenarios and weightings section below.
- The Group's sensitivity analysis to the macroeconomic scenario weightings are outlined on page 35. Under the 100% Downside 2 (Global trade war) scenario, a 68% increase in ECL compared to the Reported ECL allowance stock is estimated.
- ECL allowance stock relating to post model adjustments (PMAs) has remained largely unchanged in the period, reducing by € 5 million to € 348 million. ECL allowance stock relating to PMAs as a percentage of total ECL stock on loans and advances to customers has also reduced slightly to 25% (31 December 2024: 26%). The slight reduction in PMA stock was largely driven by utilisation as risks previously identified are now captured in the modelled outcomes and were offset by some increases in existing PMAs. Further details are outlined under the post model adjustments section on pages 36 and 37.

Details on the various aspects of the Group's credit risk management are outlined on pages 186 to 230 of the Annual Financial Report 2024, with the Group's accounting policies for financial assets included in note 1 to the consolidated financial statements on pages 270 and 271.

There have been no changes to the Group's accounting policies for financial assets since 31 December 2024. In determining ECL allowance, the Group keeps under constant review its bases of measurement, methodologies and judgements, as outlined on pages 190 to 201 of the Annual Financial Report 2024.

Macroeconomic scenarios and weightings

The macroeconomic scenarios used by the Group for ECL allowance calculations have been developed in a consistent way with that set out in the Annual Financial Report 2024 and have been subject to the Group's established governance process.

The current global backdrop is marked by robust early-2025 growth despite heightened geopolitical risks and a sharp spike in economic uncertainty. The recent, more interventionist, trade policy environment has led to downgraded global growth forecasts and increased expectations for interest rate cuts. Inflation is easing but shows signs of plateauing in regions like the US and UK, clouding central bank outlooks. Ongoing conflicts in Ukraine and the Middle East, alongside persistent trade tensions, present significant downside risks, while high precautionary savings in some economies offer potential upside if risks do not materialise.

The Group has applied four scenarios in the calculation of ECL that, in its view, reflect ongoing uncertainty regarding the economic outlook, as at the reporting date. These four scenarios consist of a base case scenario and three alternative scenarios (consisting of one upside and two downside scenarios). These alternative scenarios consider inter alia higher geopolitical risks and trade uncertainty compared with Base (Downside 1), a rapid escalation in geopolitical tensions and a global trade war that leads to a deep recession (Downside 2) and the impact of a de-escalation of geopolitical tensions and a release of precautionary savings on global economic activity (Upside). Non-linear effects are captured in the development of the respective risk parameters.

Base case: The baseline assumption is that tariffs of around 10% are introduced on Irish and EU exports to the US during 2025, with no material retaliation from the EU on US exports. Despite this, Ireland's economy is expected to see resilient, though moderating, growth in 2025, with GDP forecast to rise by 5.7%, buoyed by a surge in goods exports ahead of the imposition of US tariffs, while Modified Domestic Demand (MDD) is set to grow by 2.3%. This is stronger than the growth projection for the UK, where GDP is forecast to grow by just 0.7% in 2025, and the Euro area, which is expected to expand by 0.9%. The US outlook is weaker, with GDP growth projected at 1.8% in 2025, reflecting the impact of new tariffs and heightened uncertainty.

The Irish labour market remains resilient, with employment growth forecast at 2% in 2025 and 1.5% in 2026, supported by strong population growth. The unemployment rate is expected to rise gradually rise to 5.1% by 2027 before easing. In the UK, labour market conditions are showing signs of softening, with the unemployment rate expected to increase to an average of 4.9% in 2026 and wage growth expected to remain elevated in the near term.

For property markets, Irish residential demand remains robust, underpinned by demographic trends and supply constraints, though growth is expected to slow. In the UK, house prices gained momentum in 2024 due to gradual rate cuts and tight supply, but future growth is likely to moderate, while commercial property markets in both countries face headwinds from high financing costs and economic uncertainty.

Risk Management *continued*

Credit risk *continued*

Credit risk – Management judgements *continued*

Macroeconomic scenarios and weightings *continued*

Downside 1 (Escalating trade tensions): Mounting protectionist measures (including additional tariffs of up to 20%, sectoral tariffs and retaliation from the EU) and persistent geopolitical uncertainty trigger a sharp slowdown in global economic activity. In Ireland, GDP growth slows to 2.6% in 2025, with the UK, US and Euro area also experiencing weaker growth and rising economic stress. Unemployment rises more markedly, reaching 7.5% in Ireland and 7.8% in the UK by 2026. Both Irish and UK residential property markets experience price declines before beginning to recover during 2027, while commercial property values decline due to weaker demand and higher financing costs.

Downside 2 (Global trade war): A rapid escalation in geopolitical conflicts and a global trade war (average tariffs in excess of 20%, with higher sector-specific tariffs, and tit-for-tat retaliations by US trade partners) leads to a sharp contraction in global trade. Financial conditions tighten sharply as risk aversion surges and credit availability contracts, leading to a marked deterioration in funding markets. Central banks respond with aggressive interest rate cuts to support economic activity. Moreover, policy measures by the US authorities, including changes to its corporate tax code in an effort to 're-shore' US Foreign Direct Investment (FDI), lead to a sharp reduction in multinational activity in Ireland. As a result of these developments, Irish GDP contracts by 1.8% in 2025 and by 10.1% in 2026 (though the contraction in MDD is far milder). The UK, US and Euro area also enter deep recessions. Unemployment surges to 12.1% in Ireland and 10.5% in the UK by 2028. Both Irish and UK residential property markets experience significant price declines and sharply reduced activity, while commercial property values fall steeply amid collapsing demand and tighter credit conditions.

Upside (Quick recovery): In the upside scenario, an easing of geopolitical tensions, successful negotiation of trade agreements (no sectoral tariffs) and the unwinding of high precautionary savings by households drive stronger-than-expected domestic demand and global growth. For Ireland, this results in GDP growth of 6.0% in 2025, with the UK, US and Euro area also experiencing improved economic activity. Unemployment rates fall modestly, while both residential and commercial property markets in Ireland and the UK see renewed price growth and increased activity, supported by improved sentiment and looser financial conditions.

The table below sets out the five year average forecast for each of the key macroeconomic variables that are required to generate the scenarios or are material drivers of the ECL under (i) Base, (ii) Downside 1, (iii) Downside 2 and (iv) Upside scenarios at 30 June 2025 (average over 2025-2029) and at 31 December 2024 (average over 2025-2029). Further detail on the scenarios as at 31 December 2024 can be found in the Annual Financial Report 2024 on pages 194 to 198.

	June 2025 5 year (2025-2029) average forecast				December 2024 5 year (2025-2029) average forecast			
Macroeconomic factor (%)	**Base**	**Downside 1 (Escalating trade tensions)**	**Downside 2 (Global trade war)**	**Upside (Quick recovery)**	Base	Downside 1 (Geopolitical tensions)	Downside 2 (Credit crunch)	Upside (Quick recovery)
Republic of Ireland								
GDP growth	**1.2**	**0.4**	**(1.0)**	**2.6**	3.0	1.8	0.7	3.8
Residential property price growth	**2.5**	**(0.1)**	**(4.9)**	**4.4**	2.5	(0.1)	(4.7)	4.2
Unemployment rate	**4.9**	**7.7**	**10.2**	**4.0**	4.5	7.4	10.1	3.9
Commercial property price growth	**3.4**	**(1.2)**	**(5.5)**	**5.8**	3.4	(1.2)	(5.2)	5.8
Employment growth	**1.8**	**0.9**	**(0.6)**	**2.2**	1.5	1.0	(0.6)	1.9
Average disposable income growth	**4.9**	**3.6**	**2.6**	**6.2**	4.4	4.0	3.0	6.5
Inflation	**2.1**	**2.0**	**1.8**	**3.0**	2.0	2.9	1.9	3.1
United Kingdom								
GDP growth	**1.3**	**0.5**	**(0.3)**	**1.7**	1.5	0.6	(0.1)	2.1
Residential property price growth	**2.4**	**(1.1)**	**(5.6)**	**4.6**	2.6	(1.1)	(5.4)	4.6
Unemployment rate	**4.7**	**7.5**	**9.1**	**3.8**	4.6	7.6	9.1	3.8
Commercial property price growth	**2.7**	**(1.8)**	**(6.3)**	**5.1**	2.8	(1.8)	(6.1)	5.1
Inflation	**2.2**	**2.6**	**1.8**	**3.4**	2.1	2.7	1.8	3.4

Credit risk *continued*

Credit risk – Management judgements *continued*

Macroeconomic scenarios and weightings *continued*

Additional information is provided in the table below, which details the individual macroeconomic factor forecast for each year across the four scenarios, at 30 June 2025. Page 197 of the Annual Financial Report 2024 provides the same detail for the 31 December 2024 scenarios.

										30 June 2025
					Base					Downside 1 (Escalating trade tensions)
Macroeconomic factor	2025 %	2026 %	2027 %	2028 %	2029 %	2025 %	2026 %	2027 %	2028 %	2029 %
Republic of Ireland										
GDP growth	5.7	(6.8)	1.2	2.9	2.8	2.6	(7.6)	1.5	3.0	2.7
Residential property price growth	4.0	2.5	2.0	2.0	2.0	(6.5)	(3.0)	4.0	2.5	2.5
Unemployment rate	4.8	5.0	5.1	4.9	4.7	5.7	7.5	9.3	8.3	7.6
Commercial property price growth	3.0	5.0	3.0	3.0	3.0	(10.5)	(3.5)	3.0	3.0	2.0
Employment growth	2.0	1.5	1.8	1.9	2.0	0.5	(1.0)	0.5	2.5	2.0
Average disposable income growth	5.3	4.0	4.0	5.6	5.5	4.0	1.7	2.7	4.7	5.0
Inflation	2.2	2.1	2.0	2.0	2.0	2.2	2.1	1.8	2.0	2.0
United Kingdom										
GDP growth	0.7	1.3	1.7	1.5	1.5	(0.1)	(0.8)	0.6	1.3	1.5
Residential property price growth	3.5	2.5	2.0	2.0	2.0	(10.0)	(3.5)	2.0	3.0	3.0
Unemployment rate	4.6	4.9	4.8	4.7	4.7	6.0	7.8	8.5	7.9	7.5
Commercial property price growth	3.5	3.0	3.0	2.0	2.0	(11.5)	(3.0)	1.5	2.0	2.0
Inflation	3.0	2.2	1.9	2.0	2.0	4.0	2.8	2.1	2.0	2.0

					Downside 2 (Global trade war)					Upside (Quick recovery)
Macroeconomic factor	2025 %	2026 %	2027 %	2028 %	2029 %	2025 %	2026 %	2027 %	2028 %	2029 %
Republic of Ireland										
GDP growth	(1.8)	(10.1)	0.1	4.2	2.7	6.0	(2.4)	3.0	3.3	2.9
Residential property price growth	(12.0)	(14.0)	(1.0)	1.0	1.5	7.0	5.5	4.0	3.0	2.5
Unemployment rate	6.3	9.1	11.3	12.1	12.1	4.1	3.9	3.9	3.9	3.9
Commercial property price growth	(15.0)	(17.0)	(1.5)	2.5	3.5	7.0	10.0	5.0	4.0	3.0
Employment growth	(1.3)	(2.6)	(1.7)	0.6	1.8	2.7	2.4	2.0	1.9	1.8
Average disposable income growth	2.6	(0.2)	1.2	4.2	5.0	6.9	7.5	6.5	5.2	5.0
Inflation	1.8	1.5	1.8	2.0	2.0	3.0	4.5	3.0	2.5	2.0
United Kingdom										
GDP growth	(1.6)	(3.5)	0.3	1.5	1.7	1.3	2.4	2.0	1.5	1.3
Residential property price growth	(12.5)	(15.5)	(2.5)	1.0	1.5	6.0	7.0	4.0	3.0	3.0
Unemployment rate	6.2	8.6	10.0	10.5	10.0	4.3	3.9	3.8	3.5	3.8
Commercial property price growth	(16.0)	(17.5)	(4.5)	2.5	4.0	7.0	6.0	4.5	4.0	4.0
Inflation	2.0	1.5	1.5	2.0	2.0	4.8	4.8	3.0	2.5	2.0

The key differences to the scenario forecasts versus December 2024 relate to the dampening effect that the high level of uncertainty is expected to have on economic activity in AIB's key markets over the scenario horizon. The four scenarios detailed above are designed to capture a reasonable range of plausible outcomes. The ECL allowance reflects a weighted average of the credit loss estimates under the four scenarios.

Risk Management *continued*

Credit risk *continued*

Credit risk – Management judgements *continued*

Macroeconomic scenarios and weightings *continued*

The weights for the scenarios are ultimately based on expert judgement, with reference to external market information where possible, though the decision is also informed by analysis using more formal econometric methods, e.g. using Early Warning Indicators of future turning points in economic activity to assess the relative probabilities of moderate and more severe downturns. There has been no change to the scenario weightings from December 2024. It is deemed that the higher level of uncertainty since the last reporting date is sufficiently captured in the downward revisions to the scenarios themselves and the fact that current weights are already heavily weighted to the downside.

The weights that have been applied as at the reporting date are:

Scenario *(reviewed)*	**Weighting 30 June 2025**		Weighting 31 December 2024
Base	**50%**	Base	50%
Downside 1 (Escalating trade tensions)	**40%**	Downside 1 (Geopolitical tensions)	40%
Downside 2 (Global trade war)	**5%**	Downside 2 (Credit crunch)	5%
Upside (Quick recovery)	**5%**	Upside (Quick recovery)	5%

In assessing the adequacy of the ECL allowance, the Group has considered available forward looking information as of the balance sheet date in order to estimate the future expected credit losses. The Group, through its risk management processes (including the use of expert credit judgement and other techniques) assesses its ECL allowance for events that cannot be captured by the statistical models it uses and for other risks and uncertainties. The assessment of ECL at the balance sheet date does not reflect the worst case outcome, but rather a weighted outcome of the four scenarios. Should the credit environment deteriorate beyond the Group's expectation, the Group's estimate of ECL would increase accordingly.

Credit risk *continued*

Credit risk – Management judgements *continued*

Sensitivities *(reviewed)*

The Group's estimates of expected credit losses are responsive to varying economic conditions and forward looking information. These estimates are driven by the relationship between historic experienced loss and the combination of macroeconomic variables. Given the co-relationship of each of the macroeconomic variables to one another and the fact that loss estimates do not follow a linear path, a sensitivity to any single economic variable is not meaningful. As such, the following sensitivities provide an indication of ECL movements that include changes in model estimates, and quantitative 'significant increase in credit risk' (SICR) staging assignments, with a single 100% weighting applied individually. Further details on post model adjustments are outlined on pages 36 and 37.

Relative to the base scenario, in the 100% downside 'Escalating trade tensions' and 'Global trade war' scenarios, the ECL allowance increases by 38% and 95% respectively. In the 100% upside scenario, the ECL allowance declines by 9%, showing that the ECL impact of the two downside scenarios is greater than that of the upside scenario. For 30 June 2025, a 100% downside 'Escalating trade tensions' and 'Global trade war' scenario sees a higher ECL allowance sensitivity of € 457 million and € 1,160 million respectively compared to base (€ 259 million and € 962 million respectively compared to reported). Lower relative impacts are observed for the AIB UK portfolio on an overall reported basis.

					ECL allowance at 30 June 2025
	Reported	100% Base	100% Downside Scenario 1 (Escalating trade tensions)	100% Downside Scenario 2 (Global trade war)	100% Upside Scenario (Quick recovery)
Loans and advances to customers *(reviewed)*	Total € m	Total € m	Total € m	Total € m	Total € m
Residential mortgages	**263**	**234**	**294**	**464**	**211**
Other personal	**166**	**154**	**176**	**210**	**145**
Property and construction	**493**	**411**	**608**	**745**	**383**
Non-property business	**443**	**375**	**538**	**878**	**335**
Total	**1,365**	**1,174**	**1,616**	**2,297**	**1,074**
Off-balance sheet loan commitments	**40**	**33**	**45**	**64**	**30**
Financial guarantee contracts	**11**	**11**	**14**	**17**	**10**
	1,416	**1,218**	**1,675**	**2,378**	**1,114**
Of which:					
AIB UK segment	**180**	**169**	**205**	**219**	**159**

					ECL allowance at 31 December 2024
	Reported	100% Base	100% Downside Scenario (Geopolitical tensions)	100% Downside Scenario (Credit crunch)	100% Upside Scenario (Quick recovery)
Loans and advances to customers *(reviewed)*	Total € m	Total € m	Total € m	Total € m	Total € m
Residential mortgages	270	241	304	464	223
Other personal	137	128	145	167	124
Property and construction	464	410	569	689	384
Non-property business	473	415	535	636	393
Total	1,344	1,194	1,553	1,956	1,124
Off-balance sheet loan commitments	44	36	46	60	34
Financial guarantee contracts	13	12	16	20	12
	1,401	1,242	1,615	2,036	1,170
Of which:					
AIB UK segment	174	160	192	206	151

Risk Management *continued*

Credit risk *continued*

Credit risk – Management judgements *continued*

Post model adjustments (PMAs) *(reviewed)*

Post model adjustments are applied where management believe that they are necessary to ensure an adequate level of ECL provision and to address known model limitations and/or novel risks not captured in the models. They may also be used where models are being redeveloped but are not yet deployed, where the impact of introducing the new models can be accurately quantified.

PMAs are approved under the ECL governance process within which the appropriateness of PMAs is considered against the backdrop of the risk profile of the loan book, recent loss history or changes in underlying resolution strategies not captured in the models and management's view of novel risks.

At 30 June 2025, the Group has also considered all PMAs in light of the current economic environment and continued geopolitical uncertainty. The calculation of PMAs and ECL adjustments requires a high degree of judgement, particularly in relation to emerging macroeconomic and sectoral risks. PMAs were reviewed against this backdrop and a cautious approach was adopted, particularly in maintaining appropriate level of protection for areas of potential vulnerability against an evolving economic backdrop. PMAs which were anticipated for release have been maintained recognising the increased uncertainty.

The PMAs approved for 30 June 2025 (and 31 December 2024 comparison) are set out below and categorised as follows:

- **Non-performing exposure (NPE) resolution (€ 108 million)** – ECL adjustments where the current model does not consider all potential downside risks or a range of outcomes that should be incorporated into the final loss estimate for defaulted assets.
- **Sectoral/Emerging risks (€ 70 million)** – ECL adjustments which reflect novel risks within a sector or portfolio for which there has not been time to embed an adjustment within the related models. This also refers to ECL adjustments for which time is needed for events to evolve or impacts to crystallise.
- **Future model developments/Other (€ 170 million)** – ECL adjustments required where the impact of upcoming model changes or recalibrations is known with sufficient accuracy and ECL adjustments where it was judged that an amendment to the modelled ECL was required for reasons other than the above.

							30 June 2025
Post model adjustments *(reviewed)*	**ECL allowance before PMAs**	**NPE resolution**	**Sectoral/ Emerging risks**	**Future model developments/ Other**	**Total PMAs**	**Total ECL allowance**	**Proportion of PMAs to total ECL allowance**
	€ m	**€ m**	**€ m**	**€ m**	**€ m**	**€ m**	**%**
Residential mortgages	**215**	**48**	**—**	**—**	**48**	**263**	**18**
Other personal	**145**	**21**	**—**	**—**	**21**	**166**	**13**
Property and construction	**318**	**27**	**66**	**82**	**175**	**493**	**35**
Non-property business	**339**	**12**	**4**	**88**	**104**	**443**	**23**
Total loans and advances to customers	**1,017**	**108**	**70**	**170**	**348**	**1,365**	**25**
Loan commitments and financial guarantees issued	**51**	**—**	**—**	**—**	**—**	**51**	**—**
Total ECL allowance	**1,068**	**108**	**70**	**170**	**348**	**1,416**	**25**

							31 December 2024
Post model adjustments *(reviewed)*	ECL allowance before PMAs	NPE resolution	Sectoral/ Emerging risks	Future model developments/ Other	Total PMAs	Total ECL allowance	Proportion of PMAs to total ECL allowance
	€ m	€ m	€ m	€ m	€ m	€ m	%
Residential mortgages	222	48	—	—	48	270	18
Other personal	125	12	—	—	12	137	9
Property and construction	234	76	60	94	230	464	50
Non-property business	410	6	3	54	63	473	13
Total loans and advances to customers	991	142	63	148	353	1,344	26
Loan commitments and financial guarantees issued	57	—	—	—	—	57	—
Total ECL allowance	1,048	142	63	148	353	1,401	25

NPE resolution *(reviewed)*

PMA of € 48 million continues to be retained on Stage 3 mortgages, to address potential ECL underestimation, relating to portfolio sales assumptions within the mortgage model. This also takes into consideration the current economic uncertainty of transacting NPE mortgage portfolio sales.

Within the Retail Banking personal lending Stage 3 portfolio, a PMA of € 12 million was introduced at 31 December 2024 to reflect the experience of recent loan sale transactions for similar portfolios not currently captured in the modelled outcomes. This PMA has been retained and increased to € 21 million at 30 June 2025 and continues to reflect modelled cover increases expected prior to the next portfolio sale.

Credit risk *continued*

Credit risk – Management judgements *continued*

NPE resolution *continued* *(reviewed)*
PMAs relating to non-performing property (€ 27 million) and non-property business (€ 12 million) loans reflect an adjustment to account for latent risks and alternative resolution strategies, such as NPE portfolio loan sales or collateral valuations, which are sensitive to market conditions. As at 30 June 2025, this PMA reflects the potential reduction in asset values, particularly within commercial real estate, and potential impacts from NPE portfolio loan sales. There has been a partial unwind of this PMA in the period where the risk has now been captured through an update to valuations or where borrowings have been repaid. This PMA is expected to unwind over time as Stage 3 property cases are resolved and the property market uncertainty reduces.

Sectoral/Emerging risks *(reviewed)*
At 31 December 2024, a PMA of € 56 million was introduced to address model and novel risks and specifically relates to the latent risk of potential forbearance activity. This PMA also takes into consideration the Group's cautious approach to the potential increase in case migrations to forbearance against the current uncertain economic outlook. As a result, this PMA has been retained and increased to € 65 million at 30 June 2025 and predominately relates to the commercial real estate Stage 2 portfolio.

Other PMAs amounting to a further € 5 million in this category are not individually significant.

Future model developments/Other *(reviewed)*
Within the Capital Markets property portfolio, the recalibrated investment property model which was deployed in June 2025 is expected to result in additional exposures migrating to Stage 2. At 31 December 2024, a PMA of € 90 million was introduced to reflect the potential increase in Stage 2 balances and associated ECL. At 30 June 2025, the PMA has been reduced to € 73 million, which includes the impact of a staging adjustment to transfer € 0.7 billion of Stage 1 loans to Stage 2. This PMA will unwind over the next 12 months as cases are regraded and migrate to Stage 2.

PMAs in place for the deployment of new models for non-property business (€ 35 million) and the Syndicated & International Finance (SIF) portfolio (€ 13 million) in Capital markets have been retained at 30 June 2025. This reflects the evolving macroeconomic environment amid geopolitical uncertainty. The PMA will be reassessed as cases are regraded on the recalibrated models against the backdrop of an evolving macroeconomic environment. Those exposures with direct exposure to US tariffs are on these models.

Within AIB UK, there is an increased PMA of € 43 million as at 30 June 2025. This relates to AIB Group's decision to continue its exit strategy in respect of a cohort of legacy loans.

Other PMAs amounting to a further € 6 million in this category are not individually significant.

Credit risk management response to geopolitical risks
The Group has continued to adapt its credit risk management operating model, including its underlying credit assessment processes, in response to the ongoing economic uncertainty and potential geopolitical risks.
The Group has initiated specific processes and controls in order to ensure proactive and appropriate management of the heightened credit risk in the portfolio, particularly for those sectors believed to be most impacted by the current uncertainty in the economic environment and most susceptible to geopolitical risks. The Group has taken the following steps in adapting its credit operating model in order to remain vigilant to such risks:
- A Geopolitical Working Group (GWG) has been established to coordinate the identification, assessment and management of geopolitical risks that could impact the bank's operations, financial performance and regulatory obligations.
- Combined top-down and bottom-up analyses have been conducted, with sector-specific insights presented to the Group Credit Committee.
- The Group's largest exposures were also subject to review in terms of consideration of export levels to the US and a sensitivity analysis undertaken to consider the impact. As a result, actions have since been taken on individual large exposures where appropriate.

As a result of these measures, the Group is satisfied that geopolitical uncertainty at a macro level is not currently translating into customer/sector deterioration and the risk is appropriately captured in the ECL outcomes through the revised macroeconomic scenarios, case specific credit management and the level of PMAs in place. Business units remain vigilant and will use the geopolitical risk infrastructure to continue reviewing developments throughout 2025.

ECL governance *(reviewed)*
The key governance points in the ECL approval process during the half-year to 30 June 2025 were:
- Model Risk Committee;
- Asset and Liability Committee;
- Business level ECL Forum;
- Group Credit Committee; and
- Board Audit Committee.

For ECL governance, the Group's senior management employ expert judgement in assessing the adequacy of the ECL allowance. This is supported by detailed information on the portfolios of credit risk exposures, and by the outputs of the measurement and classification approaches, coupled with internal and external data provided on both short term and long term economic outlook. Business segments and Group management are required to ensure that there are appropriate levels of cover for all of the credit portfolios and must take account of both accounting and regulatory compliance when assessing the expected levels of loss.

Assessment of the credit quality of each business segment and subsidiaries is initially informed by the output of the quantitative analytical models but may be subject to management adjustments.

This ECL output is then scrutinised and approved at individual business unit level (ECL Forum), which also includes subsidiaries, prior to onward submission to the Group Credit Committee (GCC). The GCC reviews and challenges ECL levels for onward recommendation to the Board Audit Committee as the final approval authority. The Board Audit Committee then recommends the Group's financial results to the Board for ultimate final approval.

Risk Management *continued*

Credit risk *continued*

Credit risk – Credit exposure overview

Key credit profile metrics at 30 June 2025:

- Overall credit quality has remained stable throughout the period, however latent and novel risks, including the impact of geopolitical risks on the portfolio, continue to be closely monitored. There was a net credit impairment charge of € 85 million in the half-year to 30 June 2025 (30 June 2024: € 61 million) comprising a € 83 million charge on loans and advances to customers (30 June 2024: € 63 million), partially offset by a € 6 million writeback for off-balance sheet exposures and an € 8 million charge for investment securities exposures (30 June 2024: € 2 million net impairment writeback).
- Total gross loans and advances to customers have increased from € 71.2 billion to € 71.6 billion in the half-year to 30 June 2025 as new lending of € 6.9 billion was largely offset by redemptions/repayments of € 5.7 billion and foreign exchange including other movements of € 0.7 billion. ECL stock has increased slightly in the period to € 1.4 billion representing 1.9% ECL cover (31 December 2024: € 1.3 billion, 1.9%).
- Total new lending in the period was € 6.9 billion, which reflects an increase of € 0.6 billion or 9% higher compared to the half-year to 30 June 2024. The increase primarily reflects new lending in the property and construction sector which was 73% higher than the comparable period last year, driven by strong new lending in the UK residential investment market. Mortgage and personal lending also increased by 7% and 4% respectively, while the non-property business portfolio remained in line with the same period last year.
- The staging composition of the portfolio has remained relatively stable in the half-year to 30 June 2025 with Stage 1 loans at 85%, Stage 2 loans at 12% and Stage 3 loans at 3% (31 December 2024: 86%, 11% and 3% respectively). However, Stage 1 loans have decreased by € 0.4 billion to € 60.7 billion (31 December 2024: € 61.1 billion) while Stage 2 loans have increased by € 0.7 billion to € 8.7 billion (31 December 2024: € 8.0 billion). The increase in Stage 2 loans was driven by the property and construction and non-property business portfolios, as both increased by € 0.4 billion. The increase in the property and construction portfolio was impacted by the deployment of the recalibrated investment property grading model which resulted in a post model adjustment to transfer € 0.7 billion of Stage 1 exposures to Stage 2 pending the regrading of cases on the recalibrated model. This recalibration primarily reflects an improvement in how the Group measures the risk in this portfolio as opposed to any deterioration in customer asset quality. The increase in the non-property business portfolio was primarily impacted by a number of Stage 1 to Stage 2 case transfers, predominately in the Climate Capital segment, largely due to enhanced qualitative SICR triggers. Stage 2 exposures in the residential mortgages and other personal portfolios experienced a slight combined reduction of € 0.1 billion. Non-performing loans at € 2.0 billion, have remained unchanged in the period and continue to represent 2.8% of total gross loans (31 December 2024: 2.8%).

Credit risk exposure derives from standard on-balance sheet products such as mortgages, loans, overdrafts and credit cards. In addition, credit risk arises from other products and activities including, but not limited to: 'off-balance sheet' guarantees and commitments; securities financing; investment securities; asset backed securities; and the failure/partial failure of a trade in a settlement or payments system.

Maximum exposure to credit risk *(reviewed)*

The following table sets out the financial instruments in the income statement, statement of financial position and the Group's maximum exposure to credit risk on those financial instruments.

Maximum exposure to credit risk *(reviewed)*	Half-year 30 June 2025 Income statement Net credit impairment (charge)/ writeback € m	30 June 2025 Statement of financial position Maximum exposure € m	ECL allowance € m	Carrying amount € m	30 June 2025 Maximum exposure to credit risk Amortised cost € m	Fair value € m	Total € m
Cash and balances at central banks	—	37,262	—	37,262[1]	36,816	—	36,816
Derivative financial instruments	—	2,122	—	2,122	—	2,122	2,122
Loans and advances to banks	—	1,418	—	1,418	1,418	—	1,418
Loans and advances to customers	(83)	71,622	(1,365)	70,257	70,183	74	70,257
Securities financing	(1)	7,114	(2)	7,112	7,112	—	7,112
Investment debt securities[2]	(7)	20,568	(1)	20,567	4,773	15,794	20,567
Trading portfolio financial assets	—	320	—	320	—	320	320
Included elsewhere:							
Trade receivables	—	110	(1)	109	109	—	109
Items in course of collection	—	50	—	50	50	—	50
Accrued interest	—	351	—	351	351	—	351
	(91)	140,937	(1,369)	139,568	120,812	18,310	139,122
Loan commitments and other credit related commitments	5	17,031	(40)	(40)	17,031	—	17,031
Financial guarantee contracts	1	946	(11)	(11)	946	—	946
	6	17,977[3]	(51)	(51)	17,977	—	17,977
Total	(85)	158,914	(1,420)	139,517	138,789	18,310	157,099

1. Comprises balances at central banks of € 36,816 million and other cash on hand of € 446 million.
2. Excluding equity securities of € 285 million.
3. Comprises off-balance sheet instruments.

Credit risk *continued*

Credit risk – Credit exposure overview *continued*

	Half-year 30 June 2024	31 December 2024			31 December 2024		
	Income statement	Statement of financial position			Maximum exposure to credit risk		
Maximum exposure to credit risk *(reviewed)*	Net credit impairment (charge)/ writeback € m	Maximum exposure € m	ECL allowance € m	Carrying amount € m	Amortised cost € m	Fair value € m	Total € m
Cash and balances at central banks	—	37,315	—	37,315 [1]	36,651	—	36,651
Derivative financing instruments	—	2,144	—	2,144	—	2,144	2,144
Loans and advances to banks	—	1,321	—	1,321	1,321	—	1,321
Loans and advances to customers	(63)	71,233	(1,344)	69,889	69,825	64	69,889
Securities financing	—	6,644	(1)	6,643	6,643	—	6,643
Investment securities[2]	2	18,372	(1)	18,371	4,803	13,568	18,371
Trading portfolio financial assets	—	136	—	136	—	136	136
Included elsewhere:							
Trade receivables	—	176	(1)	175	176	—	176
Items in course of collection	—	35	—	35	35	—	35
Accrued interest	—	381	—	381	381	—	381
	(61)	137,757	(1,347)	136,410	119,835	15,912	135,747
Loan commitments and other credit related commitments	(3)	16,823	(44)	(44)	16,823	—	16,823
Financial guarantees	3	976	(13)	(13)	976	—	976
	—	17,799 [3]	(57)	(57)	17,799	—	17,799
Total	(61)	155,556	(1,404)	136,353	137,634	15,912	153,546

1. Comprises balances at central banks of € 36,651 million and other cash on hand of € 664 million.
2. Excluding equity shares of € 297 million.
3. Comprises off-balance sheet instruments.

For further details on the net credit impairment charge in the six months to 30 June 2025, see note 7.

Risk Management *continued*

Credit risk *continued*

Credit risk – Credit exposure overview *continued*

Concentration by industry sector

The following tables set out the concentration of credit by industry sector and geography for loans and advances to customers and loan commitments and financial guarantee contracts issued together with the related ECL allowance analysed by the ECL stage profile at 30 June 2025 and 31 December 2024:

Gross exposures to customers

	30 June 2025								
	At amortised cost								At FVTPL
	Gross carrying amount			Analysed by ECL stage profile					
Concentration by industry sector	Loans and advances to customers € m	Loan commitments and financial guarantees issued € m	Total € m	Stage 1 € m	Stage 2 € m	Stage 3 € m	POCI € m	Total € m	Total € m
Non-property business:									
Natural resources	5,035	1,941	6,976	6,355	611	10	—	6,976	29
Of which: renewables	*4,560*	*1,251*	*5,811*	*5,221*	*590*	—	—	*5,811*	—
Leisure	2,793	490	3,283	2,717	500	64	2	3,283	—
Manufacturing	2,933	2,168	5,101	4,208	839	53	1	5,101	—
Health, education and social work	1,821	299	2,120	1,827	274	19	—	2,120	—
Services	2,227	1,506	3,733	3,258	433	39	3	3,733	—
Agriculture, forestry and fishing	1,652	680	2,332	1,838	398	89	7	2,332	—
Retail and wholesale trade	1,878	1,834	3,712	3,063	579	66	4	3,712	27
Transport and storage	1,904	803	2,707	2,396	250	60	1	2,707	—
Telecommunications, media and technology	1,483	375	1,858	1,582	164	112	—	1,858	18
Financial, insurance and other government activities	354	1,030	1,384	1,307	67	10	—	1,384	—
Total non-property business	22,080	11,126	33,206	28,551	4,115	522	18	33,206	74
Property and construction	8,857	2,189	11,046	6,904	3,534	606	2	11,046	—
Residential mortgages	37,236	1,602	38,838	36,132	1,806	740	160	38,838	—
Other personal	3,375	3,060	6,435	5,451	844	140	—	6,435	—
Total	71,548	17,977	89,525	77,038	10,299	2,008	180	89,525	74
Concentration by location[1]									
Republic of Ireland	56,441	13,301	69,742	59,611	8,290	1,661	180	69,742	74
United Kingdom	9,086	3,412	12,498	11,202	1,026	270	—	12,498	—
North America	3,175	582	3,757	3,515	242	—	—	3,757	—
Rest of the World	2,846	682	3,528	2,710	741	77	—	3,528	—
	71,548	17,977	89,525	77,038	10,299	2,008	180	89,525	74

ECL allowance

	30 June 2025							
	At amortised cost							
	ECL allowance			Analysed by ECL stage profile				
Concentration by industry sector	Loans and advances to customers € m	Loan commitments and financial guarantees issued € m	Total € m	Stage 1 € m	Stage 2 € m	Stage 3 € m	POCI € m	Total € m
Non-property business:								
Natural resources	23	2	25	17	7	1	—	25
Of which: renewables	*19*	*1*	*20*	*13*	*7*	—	—	*20*
Leisure	82	4	86	27	37	22	—	86
Manufacturing	43	3	46	10	25	12	(1)	46
Health, education and social work	53	1	54	34	17	3	—	54
Services	44	4	48	17	18	13	—	48
Agriculture, forestry and fishing	37	3	40	5	17	21	(3)	40
Retail and wholesale trade	59	6	65	9	36	21	(1)	65
Transport and storage	62	2	64	9	12	43	—	64
Telecommunications, media and technology	25	—	25	7	6	12	—	25
Financial, insurance and other government activities	15	—	15	6	—	9	—	15
Total non-property business	443	25	468	141	175	157	(5)	468
Property and construction	493	19	512	77	231	204	—	512
Residential mortgages	263	—	263	12	49	209	(7)	263
Other personal	166	7	173	23	57	93	—	173
Total	1,365	51	1,416	253	512	663	(12)	1,416
Concentration by location[1]								
Republic of Ireland	1,087	42	1,129	131	448	562	(12)	1,129
United Kingdom	196	7	203	96	26	81	—	203
North America	18	1	19	14	5	—	—	19
Rest of the World	64	1	65	12	33	20	—	65
	1,365	51	1,416	253	512	663	(12)	1,416

1. Based on country of risk.

Credit risk *continued*

Credit risk – Credit exposure overview *continued*

Gross exposures to customers

	31 December 2024								
	At amortised cost								At FVTPL
	Gross carrying amount			Analysed by ECL stage profile					
Concentration by industry sector	Loans and advances to customers € m	Loan commitments and financial guarantees issued € m	Total € m	Stage 1 € m	Stage 2 € m	Stage 3 € m	POCI € m	Total € m	Total € m
Non-property business:									
Natural resources	4,995	2,221	7,216	6,904	294	18	—	7,216	29
Of which: renewables	*4,479*	*1,506*	*5,985*	*5,734*	*248*	*3*	—	*5,985*	—
Leisure	2,942	490	3,432	2,706	605	118	3	3,432	—
Manufacturing	2,753	2,234	4,987	4,409	537	40	1	4,987	—
Health, education and social work	1,879	358	2,237	1,774	442	19	2	2,237	—
Services	2,250	1,311	3,561	3,156	361	41	3	3,561	—
Agriculture, forestry and fishing	1,691	685	2,376	1,875	405	89	7	2,376	—
Retail and wholesale trade	1,895	1,916	3,811	3,126	617	63	5	3,811	17
Transport and storage	1,848	699	2,547	2,226	244	77	—	2,547	—
Telecommunications, media and technology	1,450	201	1,651	1,436	165	50	—	1,651	18
Financial, insurance and other government activities	470	1,018	1,488	1,417	59	12	—	1,488	—
Total non-property business	22,173	11,133	33,306	29,029	3,729	527	21	33,306	64
Property and construction	8,761	2,103	10,864	7,274	3,013	574	3	10,864	—
Residential mortgages	36,970	1,577	38,547	35,731	1,870	776	170	38,547	—
Other personal	3,265	2,986	6,251	5,322	820	109	—	6,251	—
Total	71,169	17,799	88,968	77,356	9,432	1,986	194	88,968	64
Concentration by location[1]									
Republic of Ireland	56,215	13,103	69,318	59,738	7,759	1,627	194	69,318	64
United Kingdom	9,132	3,378	12,510	11,058	1,163	289	—	12,510	—
North America	2,850	705	3,555	3,514	41	—	—	3,555	—
Rest of the World	2,972	613	3,585	3,046	469	70	—	3,585	—
	71,169	17,799	88,968	77,356	9,432	1,986	194	88,968	64

ECL allowance

	31 December 2024							
	At amortised cost							
	ECL allowance			Analysed by ECL stage profile				
Concentration by industry sector	Loans and advances to customers € m	Loan commitments and financial guarantees issued € m	Total € m	Stage 1 € m	Stage 2 € m	Stage 3 € m	POCI € m	Total € m
Non-property business:								
Natural resources	32	2	34	17	15	2	—	34
Of which: renewables	*23*	*1*	*24*	*15*	*9*	—	—	*24*
Leisure	86	5	91	21	38	33	(1)	91
Manufacturing	59	6	65	10	36	19	—	65
Health, education and social work	51	2	53	12	37	5	(1)	53
Services	34	4	38	10	16	12	—	38
Agriculture, forestry and fishing	37	3	40	5	16	23	(4)	40
Retail and wholesale trade	56	5	61	10	31	21	(1)	61
Transport and storage	73	2	75	8	7	60	—	75
Telecommunications, media and technology	31	1	32	8	13	11	—	32
Financial, insurance and other government activities	14	—	14	2	2	10	—	14
Total non-property business	473	30	503	103	211	196	(7)	503
Property and construction	464	20	484	67	230	188	(1)	484
Residential mortgages	270	1	271	11	53	210	(3)	271
Other personal	137	6	143	20	57	66	—	143
Total	1,344	57	1,401	201	551	660	(11)	1,401
Concentration by location[1]								
Republic of Ireland	1,071	46	1,117	127	467	534	(11)	1,117
United Kingdom	196	9	205	51	42	112	—	205
North America	12	1	13	11	2	—	—	13
Rest of the World	65	1	66	12	40	14	—	66
	1,344	57	1,401	201	551	660	(11)	1,401

1. Based on country of risk.

Risk Management *continued*

Credit risk *continued*

Credit risk – Credit profile of the loan portfolio

The Group's customer loan portfolio comprises loans (including overdrafts), instalment credit and finance lease receivables. An overdraft provides a demand credit facility combined with a current account. Borrowings occur when the customer's drawings take the current account into debit. The balance may, therefore, fluctuate with the requirements of the customer. Although overdrafts are contractually repayable on demand (unless a fixed term has been agreed), provided the account is deemed to be satisfactory, full repayment is not generally demanded without notice.

Credit profile of the loan portfolio

The following table analyses loans and advances to customers at amortised cost by segment, internal credit ratings and ECL staging:

Amortised cost

						30 June 2025						31 December 2024
	Retail Banking	Capital Markets	Climate Capital	AIB UK	Group	Total	Retail Banking	Capital Markets	Climate Capital	AIB UK	Group	Total
Gross carrying amount	€ m	€ m	€ m	€ m	€ m	€ m	€ m	€ m	€ m	€ m	€ m	€ m
Residential mortgages	35,737	509	—	990	—	37,236	35,520	479	—	971	—	36,970
Other personal	3,216	93	—	66	—	3,375	3,106	93	—	66	—	3,265
Property and construction	426	5,885	—	2,546	—	8,857	428	5,912	—	2,421	—	8,761
Non-property business	3,012	10,668	5,982	2,383	35	22,080	3,033	11,018	5,528	2,544	50	22,173
Total	42,391	17,155	5,982	5,985	35	71,548	42,087	17,502	5,528	6,002	50	71,169
Analysed by internal credit ratings[1]												
Strong	30,047	8,942	4,869	3,473	—	47,331	29,594	10,467	4,858	3,468	20	48,407
Satisfactory	9,036	6,552	952	2,237	35	18,812	9,058	5,568	579	2,083	30	17,318
Total strong/satisfactory	39,083	15,494	5,821	5,710	35	66,143	38,652	16,035	5,437	5,551	50	65,725
Criticised watch	1,940	647	1	44	—	2,632	2,039	466	2	59	—	2,566
Criticised recovery	220	424	50	47	—	741	221	471	51	132	—	875
Total criticised	2,160	1,071	51	91	—	3,373	2,260	937	53	191	—	3,441
Non-performing	1,148	590	110	184	—	2,032	1,175	530	38	260	—	2,003
Gross carrying amount	42,391	17,155	5,982	5,985	35	71,548	42,087	17,502	5,528	6,002	50	71,169
Analysed by ECL staging												
Stage 1	38,168	11,831	5,235	5,421	35	60,690	37,728	12,976	5,206	5,159	50	61,119
Stage 2	3,000	4,733	637	380	—	8,750	3,112	3,995	284	583	—	7,974
Stage 3	1,052	589	110	184	—	1,935	1,062	529	38	260	—	1,889
POCI	171	2	—	—	—	173	185	2	—	—	—	187
Total	42,391	17,155	5,982	5,985	35	71,548	42,087	17,502	5,528	6,002	50	71,169
ECL allowance – statement of financial position												
Stage 1	44	93	18	84	—	239	39	91	19	35	—	184
Stage 2	137	323	11	15	—	486	138	335	20	31	—	524
Stage 3	378	190	11	74	—	653	351	192	6	99	—	648
POCI	(13)	—	—	—	—	(13)	(11)	(1)	—	—	—	(12)
Total	546	606	40	173	—	1,365	517	617	45	165	—	1,344
ECL allowance cover percentage	%	%	%	%	%	%	%	%	%	%	%	%
Stage 1	0.1	0.8	0.3	1.5	—	0.4	0.1	0.7	0.4	0.7	—	0.3
Stage 2	4.6	6.8	1.8	3.9	—	5.6	4.4	8.4	6.9	5.4	—	6.6
Stage 3	36.0	32.2	9.8	40.3	—	33.8	33.1	36.4	16.0	38.1	—	34.3
POCI	(7.6)	—	—	—	—	(7.6)	(5.7)	(59.6)	—	—	—	(6.2)

						Half-year 30 June 2025						Half-year 30 June 2024
Income statement	€ m	€ m	€ m	€ m	€ m	€ m	€ m	€ m	€ m	€ m	€ m	€ m
Net remeasurement of ECL allowance	41	7	(6)	57	—	99	32	18	6	21	—	77
Recoveries of amounts previously written-off	(9)	(3)	—	(4)	—	(16)	(8)	(5)	—	(1)	—	(14)
Net credit impairment charge/(writeback)	32	4	(6)	53	—	83	24	13	6	20	—	63

1. Further analysis of internal credit grade profile by ECL staging is set out on page 43. Further details on the internal credit ratings are outlined on pages 187 and 188 of the Annual Financial Report 2024.

Credit risk *continued*

Credit risk – Credit profile of the loan portfolio *continued*

Credit profile of the loan portfolio *continued*

The following table analyses loans and advances to customers at FVTPL by segment and internal credit ratings:

FVTPL

	30 June 2025						31 December 2024					
	Retail Banking € m	Capital Markets € m	Climate Capital € m	AIB UK € m	Group € m	Total € m	Retail Banking € m	Capital Markets € m	Climate Capital € m	AIB UK € m	Group € m	Total € m
Carrying amount												
Non-property business	—	74	—	—	—	74	—	64	—	—	—	64
Total	—	74	—	—	—	74	—	64	—	—	—	64
Analysed by internal credit ratings												
Strong	—	74	—	—	—	74	—	64	—	—	—	64
Satisfactory	—	—	—	—	—	—	—	—	—	—	—	—
Total strong/satisfactory	—	74	—	—	—	74	—	64	—	—	—	64
Total criticised	—	—	—	—	—	—	—	—	—	—	—	—
Non-performing	—	—	—	—	—	—	—	—	—	—	—	—
Total	—	74	—	—	—	74	—	64	—	—	—	64

Internal credit grade profile by ECL staging

The table below analyses the internal credit grading profile by ECL staging for loans and advances to customers:

Amortised cost *(reviewed)*

	30 June 2025					31 December 2024				
	Stage 1 € m	Stage 2 € m	Stage 3 € m	POCI € m	Total € m	Stage 1 € m	Stage 2 € m	Stage 3 € m	POCI € m	Total € m
Total										
Strong	43,935	3,356	—	40	47,331	45,774	2,593	—	40	48,407
Satisfactory	15,888	2,906	—	18	18,812	14,598	2,706	—	14	17,318
Total strong/satisfactory	59,823	6,262	—	58	66,143	60,372	5,299	—	54	65,725
Criticised watch	859	1,765	—	8	2,632	728	1,828	—	10	2,566
Criticised recovery	7	723	—	11	741	18	847	—	10	875
Total criticised	866	2,488	—	19	3,373	746	2,675	—	20	3,441
Non-performing	1	—	1,935	96	2,032	1	—	1,889	113	2,003
Gross carrying amount	60,690	8,750	1,935	173	71,548	61,119	7,974	1,889	187	71,169
ECL allowance	(239)	(486)	(653)	13	(1,365)	(184)	(524)	(648)	12	(1,344)
Carrying amount	60,451	8,264	1,282	186	70,183	60,935	7,450	1,241	199	69,825

Credit exposure by midpoint PD grade

The below table represents the credit risk profile for loans and advances to customers at amortised cost via the mapping of credit risk management midpoint PD grades at 30 June 2025 and 31 December 2024. The 'internal credit grading profile by ECL staging' table above includes qualitative factors such as financial distress and arrears (in addition to PD to prioritise credit risk management activity) which the midpoint PD table below does not reflect.

			30 June 2025					31 December 2024				
Quality Code	Lower Bound PD	Upper Bound PD	Stage 1 € m	Stage 2 € m	Stage 3 € m	POCI € m	Total € m	Stage 1 € m	Stage 2 € m	Stage 3 € m	POCI € m	Total € m
1 – 3	0.00%	1.23%	50,426	3,846	—	47	54,319	51,152	2,962	—	47	54,161
4 – 7	1.23%	6.94%	9,474	2,540	—	15	12,029	9,305	2,461	—	11	11,777
8 – 10	6.94%	99.99%	789	2,364	—	15	3,168	661	2,551	—	16	3,228
11	100.00%	100.00%	1	—	1,935	96	2,032	1	—	1,889	113	2,003
Gross carrying amount			60,690	8,750	1,935	173	71,548	61,119	7,974	1,889	187	71,169

At 30 June 2025, 93% of the portfolio is in quality codes 1 to 7 which are typically strong/satisfactory (31 December 2024: 93%), 4% of the portfolio is in quality codes 8 to 10 which are typically criticised (31 December 2024: 4%) and the final 3% in quality code 11 is in default (31 December 2024: 3%).

IFRS 9 Stage 1 and Stage 2 classification is not dependent solely on the absolute probability of default but includes a significant increase in credit risk (SICR), including relative movement in IFRS 9 probability of default since initial recognition. Therefore, there is no direct relationship between internal PD grades and IFRS 9 stage classification.

Risk Management *continued*

Credit risk *continued*

Credit risk – Credit profile of the loan portfolio *continued*

Aged analysis of contractually past due loans and advances to customers

The following table shows aged analysis of contractually past due loans and advances to customers by industry sector analysed by ECL staging and segment:

At amortised cost

									30 June 2025
	Not past due	1-30 days	31-60 days	61-90 days	91-180 days	181-365 days	> 365 days	Total past due	Total
Industry sector	€ m	€ m	€ m	€ m	€ m	€ m	€ m	€ m	€ m
Non-property business:									
Natural resources	5,032	—	—	2	—	—	1	3	5,035
Of which: renewables	*4,559*	—	—	*1*	—	—	—	*1*	*4,560*
Leisure	2,764	4	1	—	3	5	16	29	2,793
Manufacturing	2,909	11	1	—	2	2	8	24	2,933
Health, education and social work	1,816	1	—	—	1	—	3	5	1,821
Services	2,204	5	1	1	3	4	9	23	2,227
Agriculture, forestry and fishing	1,622	8	1	—	3	7	11	30	1,652
Retail and wholesale trade	1,840	13	—	1	1	13	10	38	1,878
Transport and storage	1,862	37	—	—	1	2	2	42	1,904
Telecommunications, media and technology	1,480	1	—	—	—	—	2	3	1,483
Financial, insurance and other government activities	344	1	—	—	—	—	9	10	354
Total non-property business	21,873	81	4	4	14	33	71	207	22,080
Property and construction	8,513	49	1	44	36	160	54	344	8,857
Residential mortgages	36,666	62	12	14	45	75	362	570	37,236
Other personal	3,219	37	10	8	22	38	41	156	3,375
Total gross carrying amount	70,271	229	27	70	117	306	528	1,277	71,548
ECL staging									
Stage 1	60,570	120	—	—	—	—	—	120	60,690
Stage 2	8,619	79	20	32	—	—	—	131	8,750
Stage 3	986	29	6	37	116	302	459	949	1,935
POCI	96	1	1	1	1	4	69	77	173
	70,271	229	27	70	117	306	528	1,277	71,548
Segment									
Retail Banking	41,555	121	24	24	79	135	453	836	42,391
Capital Markets	16,832	63	1	44	4	164	47	323	17,155
Climate Capital	5,982	—	—	—	—	—	—	—	5,982
AIB UK	5,867	45	2	2	34	7	28	118	5,985
Group	35	—	—	—	—	—	—	—	35
	70,271	229	27	70	117	306	528	1,277	71,548
As a percentage of total gross loans at amortised cost	%	%	%	%	%	%	%	%	%
	98.2	0.3	—	0.1	0.2	0.4	0.8	1.8	100.0

The figures reported are inclusive of overdrafts, bridging loans and cases with expired limits. There were no contractually past due loans measured at FVTPL at 30 June 2025 and 31 December 2024.

Credit risk *continued*

Credit risk – Credit profile of the loan portfolio *continued*

Aged analysis of contractually past due loans and advances to customers *continued*

At amortised cost

31 December 2024

Industry sector	Not past due €m	1-30 days €m	31-60 days €m	61-90 days €m	91-180 days €m	181-365 days €m	> 365 days €m	Total past due €m	Total €m
Non-property business:									
Natural resources	4,989	—	—	—	3	—	3	6	4,995
Of which: renewables	*4,476*	—	—	—	*3*	—	—	*3*	*4,479*
Leisure	2,849	25	3	12	4	11	38	93	2,942
Manufacturing	2,617	113	—	—	1	18	4	136	2,753
Health, education and social work	1,870	—	—	—	1	1	7	9	1,879
Services	2,229	5	1	1	3	3	8	21	2,250
Agriculture, forestry and fishing	1,654	13	2	3	5	3	11	37	1,691
Retail and wholesale trade	1,849	16	1	5	9	4	11	46	1,895
Transport and storage	1,808	35	—	—	1	1	3	40	1,848
Telecommunications, media and technology	1,448	—	—	—	—	1	1	2	1,450
Financial, insurance and other government activities	459	1	—	—	—	—	10	11	470
Total non-property business	21,772	208	7	21	27	42	96	401	22,173
Property and construction	8,444	57	1	7	164	28	60	317	8,761
Residential mortgages	36,350	80	14	25	50	103	348	620	36,970
Other personal	3,136	38	10	7	22	33	19	129	3,265
Total gross carrying amount	69,702	383	32	60	263	206	523	1,467	71,169
ECL staging									
Stage 1	60,931	188	—	—	—	—	—	188	61,119
Stage 2	7,818	111	20	25	—	—	—	156	7,974
Stage 3	855	82	12	34	259	194	453	1,034	1,889
POCI	98	2	—	1	4	12	70	89	187
	69,702	383	32	60	263	206	523	1,467	71,169
Segment									
Retail Banking	41,217	148	29	34	88	153	418	870	42,087
Capital Markets	17,057	173	—	7	170	44	51	445	17,502
Climate Capital	5,528	—	—	—	—	—	—	—	5,528
AIB UK	5,850	62	3	19	5	9	54	152	6,002
Group	50	—	—	—	—	—	—	—	50
	69,702	383	32	60	263	206	523	1,467	71,169
As a percentage of total gross loans at amortised cost	%	%	%	%	%	%	%	%	%
	97.9	0.5	0.1	0.1	0.4	0.3	0.7	2.1	100.0

Risk Management *continued*

Credit risk *continued*

Credit risk – Credit profile of the loan portfolio *continued*

Gross loans[1] and ECL movements *(reviewed)*

The following tables set out the movements in the gross carrying amount and ECL allowance for loans and advances to customers by ECL staging between 1 January 2025 and 30 June 2025 and the corresponding movements for the year to 31 December 2024.

Accounts that triggered movements between Stage 1 and Stage 2 as a result of failing/curing a quantitative measure only (as disclosed on page 191 of the Annual Financial Report 2024) and that subsequently reverted within the year to their original stage, are excluded from 'Transferred from Stage 1 to Stage 2' and 'Transferred from Stage 2 to Stage 1'. The Group believes this presentation aids the understanding of the underlying credit migration.

Gross carrying amount movements – total *(reviewed)*

					30 June 2025
	Stage 1 € m	Stage 2 € m	Stage 3 € m	POCI € m	Total € m
At 1 January 2025	61,119	7,974	1,889	187	71,169
Transferred from Stage 1 to Stage 2	(4,344)	4,344	—	—	—
Transferred from Stage 2 to Stage 1	3,009	(3,009)	—	—	—
Transferred to Stage 3	(29)	(428)	457	—	—
Transferred from Stage 3	16	111	(127)	—	—
New loans originated/top-ups	7,314	—	—	—	7,314
Redemptions/repayments	(6,347)	(1,164)	(231)	(18)	(7,760)
Interest credited	1,351	219	35	3	1,608
Write-offs	—	—	(62)	—	(62)
Derecognised due to disposals	(8)	(27)	(30)	—	(65)
Exchange translation adjustments	(656)	(51)	(9)	—	(716)
Impact of model, parameter and overlay changes	(766)	766	—	—	—
Other movements	31	15	13	1	60
At 30 June 2025	60,690	8,750	1,935	173	71,548

					31 December 2024
	Stage 1 € m	Stage 2 € m	Stage 3 € m	POCI € m	Total € m
At 1 January 2024	57,252	7,672	1,923	122	66,969
Transferred from Stage 1 to Stage 2	(6,290)	6,290	—	—	—
Transferred from Stage 2 to Stage 1	4,509	(4,509)	—	—	—
Transferred to Stage 3	(149)	(907)	1,056	—	—
Transferred from Stage 3	29	217	(246)	—	—
New loans originated/top-up	15,898	—	—	88	15,986
Redemptions/repayments	(11,842)	(2,704)	(765)	(31)	(15,342)
Interest credited	2,863	469	89	5	3,426
Write-offs	—	—	(126)	—	(126)
Derecognised due to disposals	(264)	(112)	(81)	—	(457)
Exchange translation adjustments	530	49	15	1	595
Impact of model, parameter and overlay changes	(1,499)	1,499	—	—	—
Other movements	82	10	24	2	118
At 31 December 2024	61,119	7,974	1,889	187	71,169

1. The gross carrying amount movement is recorded at each month end with movements calculated versus the position at previous month end. The sum of all 6 months movement is then presented.

Credit risk *continued*

Credit risk – Credit profile of the loan portfolio *continued*

Gross loans and ECL movements *continued*

ECL allowance movements – total *(reviewed)*

					30 June 2025
	Stage 1 € m	Stage 2 € m	Stage 3 € m	POCI € m	Total € m
At 1 January 2025	**184**	**524**	**648**	**(12)**	**1,344**
Transferred from Stage 1 to Stage 2	(36)	163	—	—	127
Transferred from Stage 2 to Stage 1	32	(98)	—	—	(66)
Transferred to Stage 3	—	(48)	86	—	38
Transferred from Stage 3	—	15	(22)	—	(7)
Net remeasurement (within Stage)	10	(17)	35	(1)	27
New loans originated/top-ups	35	—	—	—	35
Redemptions/repayments	(8)	(19)	—	—	(27)
Impact of model and overlay changes	31	(36)	(36)	—	(41)
Impact of credit or economic risk parameters	(5)	16	2	—	13
Net remeasurement of ECL allowance	**59**	**(24)**	**65**	**(1)**	**99**
Write-offs	—	—	(62)	—	(62)
Derecognised due to disposals	—	(11)	(1)	—	(12)
Exchange translation adjustments	(4)	(3)	(2)	—	(9)
Other movements	—	—	5	—	5
At 30 June 2025	**239**	**486**	**653**	**(13)**	**1,365**

					31 December 2024
	Stage 1 € m	Stage 2 € m	Stage 3 € m	POCI € m	Total € m
At 1 January 2024	254	635	634	(3)	1,520
Transferred from Stage 1 to Stage 2	(79)	277	—	—	198
Transferred from Stage 2 to Stage 1	87	(243)	—	—	(156)
Transferred to Stage 3	—	(108)	190	—	82
Transferred from Stage 3	—	21	(47)	—	(26)
Net remeasurement (within Stage)	(8)	15	75	(10)	72
New loans originated/top-ups	57	—	—	—	57
Redemptions/repayments	(33)	(69)	—	—	(102)
Impact of model and overlay changes	4	41	(37)	—	8
Impact of credit or economic risk parameters	(16)	(17)	(8)	—	(41)
Net remeasurement of ECL allowance	12	(83)	173	(10)	92
Write-offs	—	—	(126)	—	(126)
Derecognised due to disposals	(88)	(29)	(56)	—	(173)
Exchange translation adjustments	7	4	5	—	16
Other movements	(1)	(3)	18	1	15
At 31 December 2024	184	524	648	(12)	1,344

Total exposures to which an ECL applies increased during the period by € 0.3 billion from € 71.2 billion at 1 January 2025 to € 71.5 billion at 30 June 2025.

Stage transfers are a key component of ECL allowance movements (i.e. Stage 1 to Stage 2 to Stage 3 and vice versa) in addition to the net remeasurement of ECL due to change in risk parameters within a stage. Excluding the impact of model/overlay changes and the updated macroeconomic scenarios, an ECL charge of € 127 million occurred due to underlying credit management activity and a slight deterioration in credit parameters, which inform the modelled outcomes.

The impact of model and overlay changes resulted in an ECL writeback of € 41 million. The release was primarily driven by the deployment of the redeveloped IFRS 9 Corporate LGD model. Further details on post model adjustments are outlined on pages 36 and 37. These ensure exposures subject to risks which are not adequately reflected in the modelled outcomes, retain an appropriate ECL.

The updated macroeconomic scenarios and weightings resulted in a charge of € 13 million. This ECL movement is presented separately within 'Impact of credit or economic risk parameters'. This charge reflects the downgrade of economic activity forecasts in the Group's key markets, which has been driven by heightened geopolitical uncertainty and global trade tensions.

Risk Management *continued*

Credit risk *continued*

Credit risk – Credit profile of the loan portfolio *continued*

Gross loans and ECL movements *continued* *(reviewed)*

The gross loan transfers from Stage 1 to Stage 2 of € 4.3 billion are due to underlying credit management activity where a significant increase in credit risk occurred at some point during the period through either the quantitative or qualitative criteria for stage movement. This also incorporates loans which transferred due to the impact of the updated macroeconomic scenarios and weightings. 51% of the movements were driven by the quantitative indicator of significant increase in credit risk. 1% was caused solely by the backstop of 30 days past due. Of the € 4.3 billion which transferred from Stage 1 to Stage 2 in the half-year to 30 June 2025, approximately € 3.6 billion is reported as Stage 2 at 30 June 2025. The increase in Stage 2 loans was also impacted by the deployment of the recalibrated investment property grading model, which resulted in a post model adjustment to transfer € 0.7 billion of Stage 1 exposures to Stage 2 pending the regrading of cases on the recalibrated model. This is presented separately under impact of model, parameter and overlay changes.

Where a movement to Stage 2 is triggered by multiple drivers simultaneously, these are reported in the following order: quantitative; qualitative; backstop.

Similarly, transfers from Stage 2 to Stage 1 of € 3.0 billion represent those loans where the triggers for significant increase in credit risk no longer apply or loans that have fulfilled a probation period. These transfers include loans which have been upgraded through the normal credit management process.

Transfers from Stage 2 to Stage 3 of € 0.4 billion represent those loans that defaulted during the year. These arose in cases where it was determined that the customers were unlikely to pay their loans in full without the realisation of collateral regardless of the existence of any past due amount or the number of days past due. In addition, transfers also include all borrowers that are 90 days or more past due on a material obligation. Of the transfers from Stage 2 to Stage 3, € 0.1 billion had transferred from Stage 1 to Stage 2 earlier in the year.

Transfers from Stage 3 to Stage 2 of € 0.1 billion were mainly driven by resolution activity with the customer, through either restructuring or forbearance previously granted and which subsequently adhered to default probation requirements. As part of the credit management practices, active monitoring of loans and their adherence to default probation requirements is in place.

Movements in off-balance sheet exposures *(reviewed)*

The following tables set out the movements in the nominal amount and ECL allowance for loan commitments and financial guarantees by ECL staging:

Nominal amount movements *(reviewed)*

										30 June 2025
					Loan commitments					Financial guarantees
	Stage 1 € m	Stage 2 € m	Stage 3 € m	POCI € m	Total € m	Stage 1 € m	Stage 2 € m	Stage 3 € m	POCI € m	Total € m
At 1 January 2025	**15,354**	**1,379**	**83**	**7**	**16,823**	**883**	**79**	**14**	**—**	**976**
Transferred from Stage 1 to Stage 2	**(691)**	**691**	**—**	**—**	**—**	**(26)**	**26**	**—**	**—**	**—**
Transferred from Stage 2 to Stage 1	**553**	**(553)**	**—**	**—**	**—**	**35**	**(35)**	**—**	**—**	**—**
Transferred to Stage 3	**(5)**	**(6)**	**11**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Transferred from Stage 3	**2**	**3**	**(5)**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Other movements[1]	**261**	**(24)**	**(29)**	**—**	**208**	**(18)**	**(11)**	**(1)**	**—**	**(30)**
At 30 June 2025	**15,474**	**1,490**	**60**	**7**	**17,031**	**874**	**59**	**13**	**—**	**946**

										31 December 2024
					Loan commitments					Financial guarantees
	Stage 1 € m	Stage 2 € m	Stage 3 € m	POCI € m	Total € m	Stage 1 € m	Stage 2 € m	Stage 3 € m	POCI € m	Total € m
At 1 January 2024	14,921	1,136	71	8	16,136	790	52	14	1	857
Transferred from Stage 1 to Stage 2	(835)	835	—	—	—	(71)	71	—	—	—
Transferred from Stage 2 to Stage 1	401	(401)	—	—	—	28	(28)	—	—	—
Transferred to Stage 3	(16)	(20)	36	—	—	(2)	—	2	—	—
Transferred from Stage 3	10	8	(18)	—	—	1	—	(1)	—	—
Other movements[1]	873	(179)	(6)	(1)	687	137	(16)	(1)	(1)	119
At 31 December 2024	15,354	1,379	83	7	16,823	883	79	14	—	976

1. Includes new commitments, utilised and expired commitments.

The internal credit grade profile of loan commitments and financial guarantees is set out in the following table *(reviewed)*:

	30 June 2025 € m	31 December 2024 € m
Strong	**10,814**	10,858
Satisfactory	**6,720**	6,435
Criticised watch	**345**	381
Criticised recovery	**20**	22
Default	**78**	103
Total	**17,977**	17,799

Credit risk *continued*

Credit risk – Credit profile of the loan portfolio *continued*

Movements in off-balance sheet exposures *continued*

ECL allowance movements *(reviewed)*

30 June 2025

	Loan commitments					Financial guarantee contracts				
	Stage 1 € m	Stage 2 € m	Stage 3 € m	POCI € m	Total € m	Stage 1 € m	Stage 2 € m	Stage 3 € m	POCI € m	Total € m
At 1 January 2025	16	23	4	1	44	1	4	8	—	13
Transferred from Stage 1 to Stage 2	(1)	4	—	—	3	—	2	—	—	2
Transferred from Stage 2 to Stage 1	8	(10)	—	—	(2)	1	(2)	—	—	(1)
Transferred to Stage 3	—	—	—	—	—	—	—	—	—	—
Transferred from Stage 3	—	—	—	—	—	—	1	(1)	—	—
Net remeasurement of ECL Allowance	(9)	5	(1)	—	(5)	(1)	(1)	—	—	(2)
Net credit impairment charge/ (writeback)	(2)	(1)	(1)	—	(4)	—	—	(1)	—	(1)
Other movements	(1)	1	—	—	—	—	(1)	—	—	(1)
At 30 June 2025	13	23	3	1	40	1	3	7	—	11

31 December 2024

	Loan commitments					Financial guarantee contracts				
	Stage 1 € m	Stage 2 € m	Stage 3 € m	POCI € m	Total € m	Stage 1 € m	Stage 2 € m	Stage 3 € m	POCI € m	Total € m
At 1 January 2024	12	26	4	1	43	2	5	9	—	16
Transferred from Stage 1 to Stage 2	(3)	22	—	—	19	—	5	—	—	5
Transferred from Stage 2 to Stage 1	6	(32)	—	—	(26)	2	(3)	—	—	(1)
Transferred to Stage 3	—	—	2	—	2	—	(1)	2	—	1
Transferred from Stage 3	—	—	(1)	—	(1)	—	1	(1)	—	—
Net remeasurement of ECL Allowance	—	7	(2)	—	5	(2)	(3)	(2)	—	(7)
Net credit impairment charge/ (writeback)	3	(3)	(1)	—	(1)	—	(1)	(1)	—	(2)
Other movements	1	—	1	—	2	(1)	—	—	—	(1)
At 31 December 2024	16	23	4	1	44	1	4	8	—	13

Risk Management *continued*

Credit risk *continued*

Credit risk – Impairment

Income statement

The table below analyses the key components of the income statement for loans and advances to customers at 30 June 2025 and 30 June 2024.

Amortised cost					30 June 2025					30 June 2024
	Residential mortgages	**Other personal**	**Property and construction**	**Non-property business**	**Total**	Residential mortgages	Other personal	Property and construction	Non-property business	Total
Income statement	**€ m**	**€ m**	**€ m**	**€ m**	**€ m**	€ m	€ m	€ m	€ m	€ m
Net stage transfers	**5**	**21**	**33**	**33**	**92**	17	19	(24)	55	67
Net remeasurement (within stage)	**(10)**	**(2)**	**52**	**(13)**	**27**	13	(3)	59	39	108
New loans originated/top-ups	**1**	**8**	**15**	**11**	**35**	2	7	15	9	33
Redemptions/repayments	**(2)**	**(2)**	**(13)**	**(10)**	**(27)**	(2)	(1)	(23)	(22)	(48)
Impact of credit or economic risk parameters	**2**	**1**	**(1)**	**11**	**13**	(11)	(1)	6	(29)	(35)
Impact of model and overlay changes	**—**	**9**	**(44)**	**(6)**	**(41)**	(9)	13	(18)	(34)	(48)
Net remeasurement of ECL allowance	**(4)**	**35**	**42**	**26**	**99**	10	34	15	18	77
Recoveries of amounts previously written-off	**(4)**	**—**	**(4)**	**(8)**	**(16)**	(2)	(1)	(1)	(10)	(14)
Net credit impairment charge/(writeback)	**(8)**	**35**	**38**	**18**	**83**	8	33	14	8	63

There was a net credit impairment charge of € 83 million in the half-year to 30 June 2025 which comprised a net remeasurement of ECL allowance charge of € 99 million and recoveries of amounts previously written-off of € 16 million (30 June 2024: € 63 million charge comprising a net remeasurement charge of € 77 million and € 14 million of recoveries).

The key drivers of the net remeasurement of ECL allowance charge of € 99 million consist of the following components and activity:

- The underlying credit activity in terms of net stage transfers, net remeasurements within stage and net loans originated resulted in a charge of € 154 million, which predominately related to the property and construction sector. This was partially offset by redemptions and repayment activity of € 27 million occurring across all sectors. However, this was primarily due to repayments in the property and construction sector, particularly within Stage 2 with a € 12 million writeback driven by loans that fully repaid. Further details on the ECL allowance movements are outlined on pages 46 to 49.
- The impact of model and overlay changes resulted in a writeback of € 41 million. The release was primarily driven by the deployment of the redeveloped IFRS 9 Corporate LGD model. Further details on post model adjustments are outlined on pages 36 and 37.
- Within the IFRS 9 models, a € 13 million ECL charge has been observed due to the macroeconomic factors. In particular, a downgrade of economic activity forecasts in the Group's key markets has been driven by heightened geopolitical uncertainty and global trade tensions. Risks remain to the downside with the two downside scenarios accounting for 45% of the overall ECL weighting. Further details on the macroeconomic scenarios and weightings are outlined on pages 31 to 34.

Recoveries of amounts previously written-off of € 16 million (30 June 2024: € 14 million) included € 8 million (30 June 2024: € 4 million) due to cash recoveries received against legacy non-performing exposures. The remaining € 8 million (30 June 2024: € 10 million) relates to interest recognised as a result of loans curing from Stage 3.

Credit risk *continued*

Credit risk – Asset class analysis

Asset class summary – key points:

- The **residential mortgage** portfolio has increased by € 0.2 billion in the half-year to 30 June 2025 to € 37.2 billion, as new lending was largely offset by redemptions/repayments. The staging composition of the portfolio has improved in the period as Stage 1 loans increased by € 0.4 billion to € 34.5 billion, Stage 2 loans decreased by € 0.1 billion to € 1.8 billion and Stage 3 loans remained stable at € 0.7 billion. Total ECL stock has remained unchanged in the period at € 0.3 billion (31 December 2024: € 0.3 billion) resulting in ECL cover of 0.7% (31 December 2024: 0.7%). There was a net credit impairment writeback of € 8 million in the period (30 June 2024: € 8 million charge).
- The **other personal** portfolio increased by € 0.1 billion in the half-year to 30 June 2025 to € 3.4 billion. New lending totalled € 0.7 billion in the period, however this was largely offset by redemptions/ repayments. The staging composition has remained stable in the period as Stage 1 loans increased to € 2.7 billion (31 December 2024: € 2.6 billion), while Stage 2 and Stage 3 loans remained unchanged in the period at € 0.6 billion and € 0.1 billion respectively. Total ECL stock has increased slightly to € 0.2 billion providing ECL allowance cover of 4.9% (31 December 2024: € 0.1 billion and 4.2% respectively). There was a net credit impairment charge of € 35 million in the period (30 June 2024: € 33 million charge).
- The **property and construction** portfolio has increased by € 0.1 billion in the half-year to 30 June 2025 to € 8.8 billion, as new lending was largely offset by redemptions/repayments and foreign exchange movements. The staging composition of the portfolio has deteriorated slightly in the period. Stage 1 loans decreased by € 0.4 billion to € 5.1 billion, while Stage 2 loans increased by € 0.4 billion to € 3.1 billion and Stage 3 loans increased by € 0.1 billion to € 0.6 billion. The increase in Stage 2 loans was driven by the post model adjustment to transfer exposures to Stage 2 pending the regrading of cases on the recalibrated model. Total ECL cover has increased to 5.6% (31 December 2024: 5.3%). There was a net credit impairment charge of € 38 million in the period (30 June 2024: € 14 million charge).
- The **non-property business** portfolio has decreased by € 0.1 billion in the half-year to 30 June 2025 to € 22.1 billion, as redemptions/repayments and foreign exchange movements exceeded new lending. The staging composition of the portfolio has deteriorated slightly in the period as Stage 1 loans decreased by € 0.5 billion to € 18.4 billion. Stage 2 loans have increased by € 0.4 billion to € 3.2 billion and were impacted by a number of cases transferring from Stage 1 to Stage 2, predominately in the Climate Capital segment, largely due to the impact of enhanced qualitative SICR triggers. Stage 3 loans have remained unchanged at € 0.5 billion. Total ECL cover has reduced slightly to 2.0% (31 December 2024: 2.1%). There was a net credit impairment charge of € 18 million in the period (30 June 2024: € 8 million charge).

Loans and advances to customers – Residential mortgages

Residential mortgages amounted to € 37.2 billion at 30 June 2025, with the majority (97%) relating to residential mortgages in the Republic of Ireland and the remainder relating to Northern Ireland. This compares to € 37.0 billion at 31 December 2024, of which 97% related to residential mortgages in the Republic of Ireland. The split of the residential mortgage portfolio was owner-occupier € 36.0 billion and buy-to-let € 1.2 billion (31 December 2024: owner-occupier € 35.7 billion and buy-to-let € 1.3 billion).

The portfolio increased by € 0.2 billion in the period due to new lending of € 2.1 billion (30 June 2024: € 1.9 billion), which was largely offset by redemptions/repayments.

The staging composition of the portfolio improved in the period as Stage 1 loans increased by € 0.4 billion to € 34.5 billion, Stage 2 loans decreased by € 0.1 billion to € 1.8 billion and Stage 3 loans remained stable at € 0.7 billion.

The split of the residential mortgage portfolio comprises € 20.3 billion (55%) fixed rate, € 10.5 billion (28%) variable rate and € 6.4 billion (17%) tracker rate mortgages (31 December 2024: € 20.5 billion (55%) fixed rate, € 9.6 billion (26%) variable rate and € 6.9 billion (19%) tracker rate mortgages).

The weighted average indexed loan-to-value of the stock of residential mortgages at 30 June 2025 was 47% (31 December 2024: 47%), new residential mortgages issued during the period was 68% (31 December 2024: 68%), and Stage 3 was 47% (31 December 2024: 47%).

Forbearance

Residential mortgages subject to forbearance measures remained unchanged at € 0.6 billion at 30 June 2025 (31 December 2024: € 0.6 billion).

Income statement

There was a net credit impairment writeback of € 8 million to the income statement in the half-year to 30 June 2025 compared to an € 8 million net credit impairment charge in the same period in 2024. This comprises a net remeasurement of ECL allowance writeback of € 4 million and recoveries of previously written-off loans of € 4 million.

The ECL allowance for the portfolio totalled € 0.3 billion providing ECL allowance cover of 0.7% (31 December 2024: € 0.3 billion and 0.7% respectively). For the Stage 3 portfolio, € 0.2 billion of ECLs are held providing cover of 28% (31 December 2024: € 0.2 billion and 27% respectively).

Residual debt, which is now unsecured following the disposal of property on which the residential mortgage was secured, is included in the residential mortgage portfolio and as such, is included in the table on page 52.

Risk Management *continued*

Credit risk *continued*

Credit risk – Asset class analysis *continued*

Loans and advances to customers – Residential mortgages

The following table analyses the residential mortgage portfolio at amortised cost by segment, internal credit ratings and ECL staging:

(Reviewed)						30 June 2025						31 December 2024
Gross carrying amount	Retail Banking € m	Capital Markets € m	Climate Capital € m	AIB UK € m	Group € m	Total € m	Retail Banking € m	Capital Markets € m	Climate Capital € m	AIB UK € m	Group € m	Total € m
Owner occupier	34,667	445	—	952	—	36,064	34,346	417	—	925	—	35,688
Buy-to-let	1,070	64	—	38	—	1,172	1,174	62	—	46	—	1,282
Total	35,737	509	—	990	—	37,236	35,520	479	—	971	—	36,970
Analysed by internal credit ratings												
Strong	29,414	340	—	767	—	30,521	28,930	311	—	849	—	30,090
Satisfactory	4,696	154	—	178	—	5,028	4,829	150	—	72	—	5,051
Total strong/ satisfactory	34,110	494	—	945	—	35,549	33,759	461	—	921	—	35,141
Criticised watch	697	12	—	11	—	720	786	15	—	11	—	812
Criticised recovery	143	—	—	2	—	145	142	—	—	3	—	145
Total criticised	840	12	—	13	—	865	928	15	—	14	—	957
Non-performing	787	3	—	32	—	822	833	3	—	36	—	872
Gross carrying amount	35,737	509	—	990	—	37,236	35,520	479	—	971	—	36,970
Analysed by ECL staging												
Stage 1	33,125	471	—	944	—	34,540	32,799	441	—	925	—	34,165
Stage 2	1,753	34	—	14	—	1,801	1,820	35	—	10	—	1,865
Stage 3	699	3	—	32	—	734	731	3	—	36	—	770
POCI	160	1	—	—	—	161	170	—	—	—	—	170
Total	35,737	509	—	990	—	37,236	35,520	479	—	971	—	36,970
ECL allowance – statement of financial position												
Stage 1	11	—	—	—	—	11	10	—	—	—	—	10
Stage 2	48	1	—	—	—	49	52	1	—	—	—	53
Stage 3	206	—	—	3	—	209	206	1	—	3	—	210
POCI	(6)	—	—	—	—	(6)	(3)	—	—	—	—	(3)
Total	259	1	—	3	—	263	265	2	—	3	—	270
ECL allowance cover percentage	%	%	%	%	%	%	%	%	%	%	%	%
Stage 1	—	—	—	—	—	—	—	—	—	—	—	—
Stage 2	2.7	2.5	—	—	—	2.7	2.9	2.5	—	—	—	2.8
Stage 3	29.5	—	—	7.8	—	28.4	28.2	30.3	—	8.3	—	27.2
POCI	(4.0)	—	—	—	—	(4.0)	(1.8)	—	—	—	—	(1.8)

						Half-year 30 June 2025						Half-year 30 June 2024
Income statement	€ m	€ m	€ m	€ m	€ m	€ m	€ m	€ m	€ m	€ m	€ m	€ m
Net remeasurement of ECL allowance	(3)	(1)	—	—	—	(4)	10	—	—	—	—	10
Recoveries of amounts previously written-off	(4)	—	—	—	—	(4)	(2)	—	—	—	—	(2)
Net credit impairment charge/(writeback)	(7)	(1)	—	—	—	(8)	8	—	—	—	—	8

Credit risk *continued*

Credit risk – Asset class analysis *continued*

Loans and advances to customers – Other personal

The following table analyses other personal lending at amortised cost by segment, internal credit ratings and ECL staging:

(Reviewed)	30 June 2025						31 December 2024					
	Retail Banking	Capital Markets	Climate Capital	AIB UK	Group	Total	Retail Banking	Capital Markets	Climate Capital	AIB UK	Group	Total
Gross carrying amount	€ m	€ m	€ m	€ m	€ m	€ m	€ m	€ m	€ m	€ m	€ m	€ m
Credit cards	712	12	—	20	—	744	736	9	—	22	—	767
Loans/overdrafts	2,504	81	—	46	—	2,631	2,370	84	—	44	—	2,498
Total	3,216	93	—	66	—	3,375	3,106	93	—	66	—	3,265
Analysed by internal credit ratings												
Strong	459	11	—	56	—	526	469	9	—	59	—	537
Satisfactory	1,863	77	—	5	—	1,945	1,797	76	—	6	—	1,879
Total strong/ satisfactory	2,322	88	—	61	—	2,471	2,266	85	—	65	—	2,416
Criticised watch	752	5	—	—	—	757	728	8	—	—	—	736
Criticised recovery	12	—	—	4	—	16	13	—	—	—	—	13
Total criticised	764	5	—	4	—	773	741	8	—	—	—	749
Non-performing	130	—	—	1	—	131	99	—	—	1	—	100
Gross carrying amount	3,216	93	—	66	—	3,375	3,106	93	—	66	—	3,265
Analysed by ECL staging												
Stage 1	2,526	86	—	58	—	2,670	2,403	84	—	62	—	2,549
Stage 2	560	7	—	7	—	574	604	9	—	3	—	616
Stage 3	130	—	—	1	—	131	99	—	—	1	—	100
POCI	—	—	—	—	—	—	—	—	—	—	—	—
Total	3,216	93	—	66	—	3,375	3,106	93	—	66	—	3,265
ECL allowance – statement of financial position												
Stage 1	21	1	—	—	—	22	18	1	—	—	—	19
Stage 2	50	—	—	1	—	51	51	1	—	—	—	52
Stage 3	92	—	—	1	—	93	65	—	—	1	—	66
POCI	—	—	—	—	—	—	—	—	—	—	—	—
Total	163	1	—	2	—	166	134	2	—	1	—	137
ECL allowance cover percentage	%	%	%	%	%	%	%	%	%	%	%	%
Stage 1	0.8	0.7	—	—	—	0.8	0.8	0.6	—	—	—	0.7
Stage 2	9.0	—	—	7.4	—	9.0	8.5	9.3	—	—	—	8.5
Stage 3	71.0	—	—	65.1	—	71.0	65.4	—	—	63.0	—	65.3
POCI	—	—	—	—	—	—	—	—	—	—	—	—

	Half-year 30 June 2025						Half-year 30 June 2024					
Income statement	€ m	€ m	€ m	€ m	€ m	€ m	€ m	€ m	€ m	€ m	€ m	€ m
Net remeasurement of ECL allowance	35	—	—	—	—	35	34	—	—	—	—	34
Recoveries of amounts previously written-off	—	—	—	—	—	—	(1)	—	—	—	—	(1)
Net credit impairment charge/(writeback)	35	—	—	—	—	35	33	—	—	—	—	33

Risk Management *continued*

Credit risk *continued*

Credit risk – Asset class analysis *continued*

Loans and advances to customers – Other personal *continued*

At 30 June 2025, the other personal lending portfolio of € 3.4 billion comprises € 2.6 billion in loans and overdrafts and € 0.8 billion in credit card facilities (31 December 2024: € 3.3 billion, € 2.5 billion and € 0.8 billion respectively). Credit quality has remained stable throughout the period as € 2.5 billion of the portfolio was in a strong/satisfactory grade (31 December 2024: € 2.4 billion).

New lending totalled € 0.7 billion for the period to 30 June 2025 (30 June 2024: € 0.7 billion), however, this was largely offset by redemptions/repayments.

Stage 1 loans increased in the period to € 2.7 billion (31 December 2024: € 2.6 billion). Stage 2 loans remained stable at € 0.6 billion (31 December 2024: € 0.6 billion). Stage 2 cover increased slightly to 9% (31 December 2024: 8%). Total Stage 3 loans remained unchanged at € 0.1 billion (31 December 2024: € 0.1 billion).

Income statement

There was a net credit impairment charge of € 35 million to the income statement in the half-year to 30 June 2025 compared to a € 33 million net credit impairment charge in the same period in 2024. This comprised solely of a net remeasurement of ECL allowance charge of € 35 million.

The ECL allowance for the portfolio totalled € 0.2 billion providing ECL allowance cover of 5%. For the Stage 3 portfolio, the ECL allowance cover is 71% (31 December 2024: € 0.1 billion, 4% and 65% respectively).

Credit risk *continued*

Credit risk – Asset class analysis *continued*

Loans and advances to customers – Property and construction

The following table analyses property and construction lending at amortised cost by segment, internal credit ratings and ECL staging:

(Reviewed)						30 June 2025						31 December 2024
	Retail Banking	Capital Markets	Climate Capital	AIB UK	Group	Total	Retail Banking	Capital Markets	Climate Capital	AIB UK	Group	Total
Gross carrying amount	€ m	€ m	€ m	€ m	€ m	€ m	€ m	€ m	€ m	€ m	€ m	€ m
Residential investment	35	1,626	—	522	—	2,183	40	1,671	—	409	—	2,120
Student housing	—	336	—	561	—	897	—	337	—	541	—	878
Housing associations	—	161	—	460	—	621	—	157	—	486	—	643
Commercial investment – Office	18	1,373	—	417	—	1,808	23	1,433	—	400	—	1,856
Commercial investment – Retail	34	565	—	85	—	684	35	658	—	90	—	783
Commercial investment – Mixed	43	693	—	139	—	875	49	697	—	116	—	862
Commercial investment – Industrial	17	293	—	164	—	474	20	280	—	160	—	460
Total investment	147	5,047	—	2,348	—	7,542	167	5,233	—	2,202	—	7,602
Residential development	26	724	—	91	—	841	25	574	—	101	—	700
Commercial development	4	21	—	74	—	99	5	14	—	90	—	109
Total land and development	30	745	—	165	—	940	30	588	—	191	—	809
Contractors	249	93	—	33	—	375	231	91	—	28	—	350
Total	426	5,885	—	2,546	—	8,857	428	5,912	—	2,421	—	8,761
Analysed by internal credit ratings												
Strong	49	4,304	—	1,150	—	5,503	54	4,473	—	1,108	—	5,635
Satisfactory	260	654	—	1,317	—	2,231	243	616	—	1,227	—	2,086
Total strong/satisfactory	309	4,958	—	2,467	—	7,734	297	5,089	—	2,335	—	7,721
Criticised watch	65	111	—	2	—	178	72	50	—	3	—	125
Criticised recovery	9	348	—	3	—	360	13	356	—	7	—	376
Total criticised	74	459	—	5	—	538	85	406	—	10	—	501
Non-performing	43	468	—	74	—	585	46	417	—	76	—	539
Gross carrying amount	426	5,885	—	2,546	—	8,857	428	5,912	—	2,421	—	8,761
Analysed by ECL staging												
Stage 1	287	2,495	—	2,312	—	5,094	285	3,102	—	2,110	—	5,497
Stage 2	96	2,922	—	160	—	3,178	97	2,393	—	235	—	2,725
Stage 3	42	468	—	74	—	584	44	417	—	76	—	537
POCI	1	—	—	—	—	1	2	—	—	—	—	2
Total	426	5,885	—	2,546	—	8,857	428	5,912	—	2,421	—	8,761
ECL allowance – statement of financial position												
Stage 1	2	42	—	27	—	71	1	44	—	15	—	60
Stage 2	4	217	—	6	—	227	5	208	—	13	—	226
Stage 3	16	159	—	21	—	196	15	149	—	15	—	179
POCI	(1)	—	—	—	—	(1)	(1)	—	—	—	—	(1)
Total	21	418	—	54	—	493	20	401	—	43	—	464
ECL allowance cover percentage	%	%	%	%	%	%	%	%	%	%	%	%
Stage 1	0.5	1.7	—	1.2	—	1.4	0.4	1.4	—	0.7	—	1.1
Stage 2	4.5	7.4	—	3.3	—	7.1	5.0	8.7	—	5.6	—	8.3
Stage 3	38.1	33.9	—	29.3	—	33.6	35.2	35.8	—	19.6	—	33.4
POCI	(70.9)	—	—	—	—	(70.9)	(51.4)	—	—	—	—	(51.4)

						Half-year 30 June 2025						Half-year 30 June 2024
Income statement	€ m	€ m	€ m	€ m	€ m	€ m	€ m	€ m	€ m	€ m	€ m	€ m
Net remeasurement of ECL allowance	(1)	19	—	24	—	42	2	12	—	1	—	15
Recoveries of amounts previously written-off	(2)	(2)	—	—	—	(4)	(1)	—	—	—	—	(1)
Net credit impairment charge/(writeback)	(3)	17	—	24	—	38	1	12	—	1	—	14

Risk Management *continued*

Credit risk *continued*

Credit risk – Asset class analysis *continued*

Loans and advances to customers – Property and construction *continued*

The property and construction portfolio has increased by € 0.1 billion to € 8.8 billion in the half-year to 30 June 2025 (31 December 2024: € 8.7 billion). The increase was driven by new lending of € 1.0 billion (30 June 2024: € 0.6 billion), which exceeded redemptions/repayments activity and foreign exchange movements totalling € 0.9 billion.

The portfolio amounted to 12% of loans and advances to customers and comprised 85% investment loans (€ 7.5 billion), 11% land and development loans (€ 0.9 billion) and 4% relating to contractor loans (€ 0.4 billion). The Capital Markets and AIB UK segments continue to account for the majority of this portfolio at 66% and 29% respectively.

At 30 June 2025, € 7.7 billion of the portfolio was in a strong/satisfactory grade (31 December 2024: € 7.7 billion). The level of non-performing loans increased slightly by € 46 million in the period to € 0.6 billion.

The staging composition of the portfolio has deteriorated slightly in the period. Stage 1 loans decreased by € 0.4 billion in the period to € 5.1 billion while Stage 2 loans increased by € 0.4 billion to € 3.1 billion (31 December 2024: € 5.5 billion and € 2.7 billion respectively). The increase in Stage 2 loans was driven by the post model adjustment to transfer exposures to Stage 2 pending the regrading of cases on the recalibrated model.

Income statement

There was a net credit impairment charge of € 38 million to the income statement in the half-year to 30 June 2025 compared to a € 14 million net credit impairment charge in the same period in 2024. This comprises a net remeasurement of ECL allowance charge of € 42 million and recoveries of previously written-off loans of € 4 million.

The ECL allowance for the portfolio totalled € 0.5 billion providing ECL allowance cover of 6%. For the Stage 3 portfolio, the ECL allowance cover is 34% (31 December 2024: € 0.4 billion, 5% and 33% respectively).

Investment

Investment property loans amounted to € 7.5 billion at 30 June 2025 (31 December 2024: € 7.6 billion), of which € 3.8 billion relates to commercial investment. The geographic profile of the investment property portfolio is predominantly in the Republic of Ireland (€ 4.7 billion) and the United Kingdom (€ 2.3 billion).

The following are the key themes within the investment property sub-sectors in relation to the total property and construction portfolio:

- The residential investment sub-sector represents 25% of the portfolio at € 2.2 billion. The Irish housing market remains undersupplied when compared with the underlying level of demand. Consequently, house prices continue to rise albeit the pace of increases has eased over recent months, with affordability factors acting as somewhat of a constraint.
- The student housing residential investment sub-sector represents 10% of the portfolio at € 0.9 billion. This sub-sector continues to experience strong levels of occupancy and growth due to under supply, with the lack of new stock in the development pipeline a challenge for both students and investors.
- The social housing residential investment sub-sector represents 7% of the portfolio at € 0.6 billion. Similar to other residential sub-sectors, social housing has remained resilient in both Ireland and the UK with strong occupancy levels due to structural under supply and significant increased waiting lists.
- The office commercial investment sub-sector represents 20% of the portfolio at € 1.8 billion. Demand is rising for high quality, well located spaces with take up concentrated in Dublin city centre with prime headline rates broadly stable. Energy ratings of the secondary office portfolio remain a key risk with growing emphasis on sustainability and energy efficiency.
- The retail commercial investment sub-sector represents 8% of the portfolio at € 0.7 billion. This sub-sector is showing a positive trend with a revival in retail parks and shopping centres. Retail warehouses and parks in particular are offering attractive yields, making them attractive to investors. A lack of new construction is contributing to the scarcity of prime assets and driving up rental values, with demand strengthening in urban areas with strong consumer activity.
- The mixed commercial investment sub-sector represents 10% of the portfolio at € 0.9 billion. This sub-sector consists of mixed investment properties including retail, office and residential, with the outlook impacted by the current interest rate environment and economic uncertainty.
- The industrial commercial investment sub-sector represents 5% of the portfolio at € 0.4 billion. Demand remains strong driven by constrained supply which has been a key factor in rental growth over recent years. The resilience of the sector can be attributed in part to continuing growth in e-commerce activity, which has driven the demand for high quality warehousing and logistics facilities.

At 30 June 2025, there was a net credit impairment charge of € 37 million to the income statement on the investment property element of the property and construction portfolio (30 June 2024: € 8 million writeback).

Land and development

Land and development loans amounted to € 0.9 billion at 30 June 2025 (31 December 2024: € 0.8 billion), of which € 0.7 billion related to loans in the Capital Markets segment and € 0.2 billion in the AIB UK segment.

The following are the key themes within the land and development property sub-sectors in relation to the total property and construction portfolio:

- The residential development sub-sector represents 10% of the property and construction portfolio at € 0.8 billion. Structural demand and supply imbalances continue to be enduring features of the residential market with increased government policy intervention aimed at underpinning supply and supporting the viability of demand.
- The commercial development sub-sector represents 1% of the portfolio at € 0.1 billion.

At 30 June 2025, there was a Nil net credit impairment to the income statement on the land and development element of the property and construction portfolio (30 June 2024: € 20 million charge).

Contractors

The contractors sub-sector represents 4% of the portfolio at € 0.4 billion (31 December 2024: € 0.3 billion). The demand for this sub-sector is underpinned by public works and residential projects. This sub-sector continues to face challenges in the current market such as a shortage of skilled labourers, input cost inflation, supply chain disruption and the climate transition.

Credit risk *continued*

Credit risk – Asset class analysis *continued*

Loans and advances to customers – Non-property business

The following table analyses non-property business lending at amortised cost by segment, internal credit ratings and ECL staging:

(Reviewed)						30 June 2025						31 December 2024
	Retail Banking	Capital Markets	Climate Capital	AIB UK	Group	Total	Retail Banking	Capital Markets	Climate Capital	AIB UK	Group	Total
Gross carrying amount	€ m	€ m	€ m	€ m	€ m	€ m	€ m	€ m	€ m	€ m	€ m	€ m
Natural resources	20	259	4,566	190	—	5,035	18	531	4,204	242	—	4,995
Of which: renewables	*—*	*—*	*4,539*	*21*	*—*	*4,560*	*—*	*282*	*4,176*	*21*	*—*	*4,479*
Leisure	279	1,965	—	549	—	2,793	298	2,016	—	628	—	2,942
Manufacturing	155	2,536	—	242	—	2,933	148	2,395	—	210	—	2,753
Health, education and social work	101	1,300	—	420	—	1,821	109	1,327	—	443	—	1,879
Services	540	1,238	213	236	—	2,227	532	1,174	265	279	—	2,250
Agriculture, forestry and fishing	1,291	312	—	49	—	1,652	1,284	353	—	54	—	1,691
Retail and wholesale trade	368	1,414	—	96	—	1,878	381	1,408	—	106	—	1,895
Transport and storage	218	869	397	420	—	1,904	205	785	394	464	—	1,848
Telecoms, media and technology	32	594	806	51	—	1,483	33	715	665	37	—	1,450
Financial, insurance and other government activities	8	181	—	130	35	354	25	314	—	81	50	470
Total	3,012	10,668	5,982	2,383	35	22,080	3,033	11,018	5,528	2,544	50	22,173
Of which: Syndicated & International Finance (SIF)	*—*	*2,909*	*—*	*—*	*—*	*2,909*	*—*	*2,803*	*—*	*—*	*—*	*2,803*
Analysed by internal credit ratings												
Strong	125	4,287	4,869	1,500	—	10,781	141	5,674	4,858	1,452	20	12,145
Satisfactory	2,217	5,667	952	737	35	9,608	2,189	4,726	579	778	30	8,302
Total strong/satisfactory	2,342	9,954	5,821	2,237	35	20,389	2,330	10,400	5,437	2,230	50	20,447
Criticised watch	426	519	1	31	—	977	453	393	2	45	—	893
Criticised recovery	56	76	50	38	—	220	53	115	51	122	—	341
Total criticised	482	595	51	69	—	1,197	506	508	53	167	—	1,234
Non-performing	188	119	110	77	—	494	197	110	38	147	—	492
Gross carrying amount	3,012	10,668	5,982	2,383	35	22,080	3,033	11,018	5,528	2,544	50	22,173
Analysed by ECL staging												
Stage 1	2,230	8,779	5,235	2,107	35	18,386	2,241	9,349	5,206	2,062	50	18,908
Stage 2	591	1,770	637	199	—	3,197	591	1,558	284	335	—	2,768
Stage 3	181	118	110	77	—	486	188	109	38	147	—	482
POCI	10	1	—	—	—	11	13	2	—	—	—	15
Total	3,012	10,668	5,982	2,383	35	22,080	3,033	11,018	5,528	2,544	50	22,173
ECL allowance – statement of financial position												
Stage 1	10	50	18	57	—	135	10	46	19	20	—	95
Stage 2	35	105	11	8	—	159	30	125	20	18	—	193
Stage 3	64	31	11	49	—	155	65	42	6	80	—	193
POCI	(6)	—	—	—	—	(6)	(7)	(1)	—	—	—	(8)
Total	103	186	40	114	—	443	98	212	45	118	—	473
ECL allowance cover percentage	%	%	%	%	%	%	%	%	%	%	%	%
Stage 1	0.4	0.6	0.3	2.7	—	0.7	0.4	0.5	0.4	1.0	—	0.5
Stage 2	5.8	5.9	1.8	4.5	—	5.0	5.0	8.0	6.9	5.4	—	6.9
Stage 3	35.5	26.1	9.8	64.4	—	32.0	34.6	38.7	16.0	55.0	—	40.2
POCI	(54.7)	—	—	—	—	(54.7)	(48.6)	(57.2)	—	—	—	(49.7)
						Half-year 30 June 2025						Half-year 30 June 2024
Income statement	€ m	€ m	€ m	€ m	€ m	€ m	€ m	€ m	€ m	€ m	€ m	€ m
Net remeasurement of ECL allowance	10	(11)	(6)	33	—	26	(14)	6	6	20	—	18
Recoveries of amounts previously written-off	(3)	(1)	—	(4)	—	(8)	(4)	(5)	—	(1)	—	(10)
Net credit impairment charge/(writeback)	7	(12)	(6)	29	—	18	(18)	1	6	19	—	8

Risk Management *continued*

Credit risk *continued*

Credit risk – Asset class analysis *continued*

Loans and advances to customers – Non-property business *continued*

The non-property business portfolio includes small and medium enterprises (SMEs) which are reliant largely on the domestic economies in which they operate. In addition to SMEs, the portfolio also includes exposures to larger corporate and institutional borrowers which are impacted by global economic conditions. The largest geographic concentration of the portfolio exposure is to Irish borrowers (50%), with the UK (25%) and US (14%) being the other main geographic concentrations.

At 30 June 2025, the non-property business portfolio consists of € 22.1 billion in loans and advances to customers measured at amortised cost and € 74 million of loans measured at FVTPL.

The portfolio measured at amortised cost reduced by € 0.1 billion to € 22.1 billion in the half-year to 30 June 2025 (31 December 2024: € 22.2 billion). The reduction in the portfolio was attributed to redemptions/repayments and foreign exchange movements which exceeded new lending totalling € 3.1 billion (30 June 2024: € 3.1 billion). New lending continues to be a focus for the Climate Capital segment as the Group continues to finance the transition to renewable energy and infrastructure. The non-property business portfolio amounted to 31% of total Group loans and advances to customers in the period (31 December 2024: 31%).

The asset quality composition of the portfolio remained stable in the period. Loans graded as strong/satisfactory at 92% at 30 June 2025 (31 December 2024: 92%). The value of loans graded less than satisfactory (including non-performing loans) accounted for € 1.7 billion at 30 June 2025 (31 December 2024 € 1.7 billion). However, following the deployment of the recalibrated grading models, € 1.4 billion has migrated from strong to satisfactory. This recalibration primarily reflects an improvement in how the Group measures the risk in this portfolio. The staging composition of the portfolio has however deteriorated slightly in the period as Stage 1 loans decreased by € 0.5 billion to € 18.4 billion while Stage 2 loans increased by € 0.4 billion to € 3.2 billion (31 December 2024: € 18.9 billion and € 2.8 billion respectively). The increase in Stage 2 was due to a number of cases transferring from Stage 1 to Stage 2, predominately in the Climate Capital segment, largely due to the impact of enhanced qualitative SICR triggers. The cases transferred to Stage 2 reflect the Group's proactive and cautious approach to early identification of significant increase in credit risk. Stage 3 loans remained unchanged at € 0.5 billion. The performing forborne portfolio, which is also reflected within the criticised recovery category, decreased by € 0.1 billion to € 0.2 billion in the period (31 December 2024: € 0.3 billion), as borrowers successfully demonstrated repayment capacity over 24 months.

The following are the key themes within the main sub-sectors of the non-property business portfolio:

- The natural resources sub-sector comprises 23% of the portfolio at € 5.0 billion. This sub-sector includes renewable energy and continues to be a focus of growth with strong demand as economies transition away from fossil fuels to meet climate goals with projects contributing to the EU and Ireland's legally binding target of generating 80% of electricity from renewable sources by 2030. Geopolitical risks and uncertainties for the climate sector in the US remain key challenges to growth within this sector, and project level issues including construction delays have led to an increase in Stage 2 in this portfolio during the first half of 2025.
- The leisure sub-sector comprises 13% of the portfolio at € 2.8 billion. Whilst hotel occupancy has remained stable, operational and labour costs continue to be key challenges. The outlook remains optimistic with domestic travel and expenditure expected to remain strong. US tariff policies may impact global travel but airlines are forecasting growth. This sub-sector also includes bars and restaurants where location remains key. Further minimum wage increases and improved employee benefits are likely to put additional pressure on operating costs during 2025, albeit improved operational efficiencies are a mitigating factor, with employment and private consumption growth helping to support leisure spend.
- The manufacturing sub-sector comprises 13% of the portfolio at € 2.9 billion. Notwithstanding challenges in this diverse sector including inflation and intermittent supply chain concerns, non-food operators continue to trade strongly with focus on enhancing profitability and boosting production levels. However geopolitical uncertainty remains, most notably around potential tariffs within the pharmaceutical sector. Whilst the value of food and drink exports continues to increase, and exporters continue to show strong resilience, the sector remains faced with a number of risks, including labour challenges, higher operating costs and geopolitical volatility.
- The health, education and social work sub-sector comprises 8% of the portfolio at € 1.8 billion. An increased health budget has been allocated in 2025 to tackle waiting lists in the Republic of Ireland. Demand within the nursing home sub-sector continues to be driven by demographics, with high occupancy levels evident and no overall increase in supply.
- The services sub-sector comprises 10% of the portfolio at € 2.2 billion, and includes professional services (accounting, legal and architectural/ engineering activities) and other services, a more diverse grouping which includes contract services, machinery & equipment, management consultancy, research & development and public/ community groups. Performance of service businesses in part is correlated to the performance of the domestic and global economy, which are currently supported by a strong labour market and falling inflation with modest growth forecast for 2025.
- The agriculture, forestry and fishing sub-sector represents 7% of the portfolio at € 1.7 billion. Output prices remain strong across most farm sectors together with reduction in input costs. The transition of activities to more climate friendly and sustainable methods continues to be a key challenge in 2025.
- The retail and wholesale sub-sector comprises 9% of the portfolio at € 1.9 billion. Grocery sales have continued on a positive trajectory driven by their non-discretionary status. Whilst inflation and pressure on staff costs have driven some margin pressure, these have largely been passed on to the end customer. The pharmacy sector remains robust, with positive outlook for the mature pharmacy network driven by demand for community-based services. Whilst macro indicators remain positive, cost of business pressures remain a concern for high discretionary price-sensitive sub-sectors with tight margins.
- The transport and storage sub-sector comprises 9% of the portfolio at € 1.9 billion and consists primarily of logistic, storage and travel businesses. A shortage of drivers remains a significant issue for all transport companies. There is demand for buses to support the further rollout of the Connecting Ireland Rural Mobility Plan, albeit manufacturing delays are resulting in longer lead in times for coaches. Demand for logistic/warehouse space is driven by retailers and related supply chain services, with changes to trade routes and potential increase in shipping costs if recently announced tariffs are implemented. The sector has continued to trade well and whilst some margin pressure is evident due to inflation and rising costs, these costs have been largely passed on to end customers. The travel sub-sector is expected to continue to perform strongly, noting the temporary suspension of the Dublin Airport passenger cap for summer 2025.
- The telecommunications, media and technology sub-sector comprises 6% of the portfolio at € 1.5 billion. There is stable growth in the sector with sustained demand for services. IT spend remains robust with Cyber, Data and AI in high demand, continuing to fuel digital transformation. Household and business reliance on Telecoms aligns it to essential utilities.
- The financial, insurance and other government activities sub-sector comprises 2% of the portfolio at € 0.4 billion. The financial institutions sub-sector has benefited from the positive interest rate environment over the last number of years, albeit softening rates since 2024 have led to some margin compression. Growth is expected in the pension industry in the Republic of Ireland in the coming years with the introduction of the auto-enrolment system, which is expected to increase participation rates and savings levels.

Credit risk *continued*

Credit risk – Asset class analysis *continued*

Loans and advances to customers – Non-property business *continued*

Income statement

There was a net credit impairment charge of € 18 million to the income statement in the half-year to 30 June 2025 compared to an € 8 million charge in the same period in 2024. This comprises a net remeasurement of ECL allowance charge of € 26 million and recoveries of previously written-off loans of € 8 million.

The ECL allowance for the portfolio totalled € 0.4 billion providing ECL allowance cover of 2%. For the Stage 3 portfolio, the ECL allowance cover is 32% (31 December 2024: € 0.5 billion, 2% and 40% respectively).

Syndicated & International Finance

Syndicated & International Finance (SIF) is a specialised business unit within Capital Markets which participates in the provision of finance to US and European corporations for mergers, acquisitions, buy-outs and general corporate purposes.

The SIF non-property portfolio increased by € 0.1 billion to € 2.9 billion at 30 June 2025 (31 December 2024: € 2.8 billion). Growth was driven by increased appetite for lowly leveraged, strongly rated, large scale international corporates. Key portfolio metrics and trends are as follows:

- S&P corporate family rating: Improving. 95% of the SIF portfolio is rated by S&P (up from 89% at 31 December 2024), with 87% rated B+ or above (+6% vs 31 December 2024), 9% rated B (+1% vs 31 December 2024) and Nil rated B- or below (-1% vs 31 December 2024).
- Grading: Stable. At 30 June 2025, 100% of the SIF portfolio is in a strong/satisfactory grade (31 December 2024: 100%).
- Staging: Stage 2 increase was driven by quantitative SICR triggers. The portion of the portfolio in Stage 1 decreased to 89%/€ 2.6 billion, while Stage 2 increased to 11%/€ 0.3 billion. Stage 3 exposure remains Nil. (31 December 2024: Stage 1: 97%/€ 2.7 billion, Stage 2: 3%/€ 0.1 billion and there was Nil Stage 3 exposure).
- Scale: Improving. Majority of loans are to large borrowers with EBITDA > € 250m (92% of the portfolio vs 90% at 31 December 2024).
- Diversification: Stable. Exposures diversified across all non-property business sub-sectors. Primary sectoral concentrations are to Manufacturing (22%), Services (22%) and Telecoms, Media and Technology (18%) (31 December 2024: Manufacturing 24%, Services 18% and Telecoms, Media and Technology 20%). Top 20 borrowers account for 33% of total exposure (down 3% vs 31 December 2024).
- Exposures relate to borrowers domiciled in the US (67%), UK (6%) and Rest of the World – primarily Europe (27%), (31 December 2024: US 63%, UK 6% and Rest of the World – primarily Europe – 31%).

At 30 June 2025, there was a net credit impairment charge of € 7 million on the SIF portfolio (30 June 2024: € 10 million writeback).

Risk Management *continued*

Credit risk *continued*

Credit risk – Credit ratings

Credit ratings

External credit ratings of certain financial assets *(reviewed)*

The following table sets out the credit quality, based on external credit ratings, of financial assets measured at:

- **Amortised cost:** Loans and advances to banks of € 1,418 million (31 December 2024: € 1,321 million), securities financing of € 7,112 million (31 December 2024: € 6,643 million), investment debt securities at amortised cost of € 4,773 million (31 December 2024: € 4,803 million);
- **FVOCI:** Investment debt securities at FVOCI of € 15,794 million (31 December 2024: € 13,568 million); and
- **FVTPL:** Trading portfolio of financial assets of € 310 million (31 December 2024: € 121 million).

Information on the credit ratings for loans and advances to customers where an external credit rating is available is disclosed on page 59.

(Reviewed)	2025					2024				
	At amortised cost					At amortised cost				
	Bank € m	Corporate € m	Sovereign € m	Other € m	Total € m	Bank € m	Corporate € m	Sovereign € m	Other € m	Total € m
AAA/AA	2,134	—	2,414	1,941	6,489	1,213	—	2,412	1,946	5,571
A/A-	4,985	1,312	17	140	6,454	5,391	1,240	17	167	6,815
BBB+/BBB/BBB-	2	221	34	—	257	15	245	34	—	294
Sub investment	6	26	—	—	32	3	25	—	—	28
Unrated	19	51	—	—	70	6	53	—	—	59
Total	7,146	1,610	2,465	2,081 [1]	13,302	6,628	1,563	2,463	2,113 [1]	12,767
Of which:										
Stage 1	7,146	1,610	2,465	2,081	13,302	6,628	1,563	2,463	2,113	12,767
Stage 2	—	—	—	—	—	—	—	—	—	—
Stage 3	—	—	—	—	—	—	—	—	—	—

(Reviewed)	2025					2024				
	At FVOCI					At FVOCI				
	Bank € m	Corporate € m	Sovereign € m	Other € m	Total € m	Bank € m	Corporate € m	Sovereign € m	Other € m	Total € m
AAA/AA	5,426	166	6,460	111	12,163	5,164	196	5,002	153	10,515
A/A-	1,042	471	598	—	2,111	1,205	373	490	—	2,068
BBB+/BBB/BBB-	184	206	1,121	—	1,511	163	169	643	—	975
Sub investment	—	—	—	—	—	—	—	—	—	—
Unrated	—	—	9	—	9	—	—	10	—	10
Total	6,652	843	8,188 [2]	111	15,794	6,532	738	6,145 [2]	153	13,568
Of which:										
Stage 1	6,652	843	8,188	111	15,794	6,532	738	6,145	153	13,568
Stage 2	—	—	—	—	—	—	—	—	—	—
Stage 3	—	—	—	—	—	—	—	—	—	—

(Reviewed)	2025					2024				
	At FVTPL					At FVTPL				
	Bank € m	Corporate € m	Sovereign € m	Other € m	Total € m	Bank € m	Corporate € m	Sovereign € m	Other € m	Total € m
AAA/AA	—	—	296	—	296	—	—	103	—	103
A/A-	—	4	—	—	4	—	—	—	—	—
BBB+/BBB/BBB-	5	4	—	—	9	10	6	—	—	16
Sub investment	1	—	—	—	1	2	—	—	—	2
Unrated	—	—	—	—	—	—	—	—	—	—
Total	6	8	296	—	310	12	6	103	—	121
Of which:										
Stage 1	6	8	296	—	310	12	6	103	—	121
Stage 2	—	—	—	—	—	—	—	—	—	—
Stage 3	—	—	—	—	—	—	—	—	—	—

1. Relates to asset backed securities.
2. Includes supranational banks and government agencies.

Credit risk *continued*

Credit risk – Forbearance overview

Additional credit quality and forbearance disclosures on loans and advances to customers

Forbearance

The Group's approach to forbearance initiatives are outlined on pages 229 and 230 in the Risk Management section of the Annual Financial Report 2024. The following tables set out the internal credit ratings and ECL staging of forborne loans and advances to customers:

	30 June 2025					31 December 2024				
	At amortised cost					At amortised cost				
	Residential mortgages	Other personal	Property and construction	Non-property business	Total	Residential mortgages	Other personal	Property and construction	Non-property business	Total
Analysed by forbearance type	€ m	€ m	€ m	€ m	€ m	€ m	€ m	€ m	€ m	€ m
Temporary forbearance	398	10	26	150	584 [1]	346	6	13	189	554 [1]
Permanent forbearance	167	22	484	302	975 [2]	240	22	486	433	1,181 [2]
	565	32	510	452	1,559	586	28	499	622	1,735
Analysed by internal credit ratings										
Strong	—	—	—	—	—	—	—	—	—	—
Satisfactory	—	—	—	—	—	—	—	—	—	—
Total strong/satisfactory	—	—	—	—	—	—	—	—	—	—
Criticised watch	—	—	—	—	—	—	—	—	—	—
Criticised recovery	145	16	360	220	741	145	13	376	341	875
Total criticised	145	16	360	220	741	145	13	376	341	875
Non-performing	420	16	150	232	818	441	15	123	281	860
Gross carrying amount	565	32	510	452	1,559	586	28	499	622	1,735
Analysed by ECL staging										
Stage 1	7	—	—	—	7	17	—	—	2	19
Stage 2	127	16	360	220	723	119	13	376	340	848
Stage 3	368	16	150	232	766	383	15	123	280	801
POCI	63	—	—	—	63	67	—	—	—	67
Total	565	32	510	452	1,559	586	28	499	622	1,735
ECL allowance	111	12	91	111	325	117	10	89	173	389

1. Of which: interest only € 285 million, payment moratorium € 188 million, reduced payment € 56 million (31 December 2024: of which: interest only € 244 million, payment moratorium € 154 million, reduced payment € 109 million).
2. Of which: arrears capitalisation and term extension € 425 million, amendment to or non-enforcement of financial covenant € 296 million, restructure € 177 million (31 December 2024: of which: arrears capitalisation and term extension € 630 million, amendment to or non-enforcement of financial covenant € 186 million, restructure € 257 million).

The Group continues to support its existing customers ensuring they are provided with the appropriate forbearance measures, particularly given the current economic uncertainty where customers may seek forbearance measures as a result of inflationary pressures and subsequent affordability issues due to the higher cost of household goods and services.

The total forbearance portfolio has decreased by € 0.2 billion to € 1.5 billion in the half-year to 30 June 2025 (31 December 2024: € 1.7 billion). The decrease was primarily due to the performing forborne element of the portfolio in criticised recovery, which decreased by € 0.2 billion in the period driven by exits to performing non-forborne and repayments.

Risk Management *continued*

Liquidity and funding risk

Liquidity risk is the risk that the Group will not be able to fund its assets and meet its payment obligations as they fall due, without incurring unacceptable costs or losses. Funding is the means by which liquidity is generated, e.g. secured or unsecured, corporate or retail. In this respect, funding risk is the risk that a specific form of liquidity cannot be obtained at an acceptable cost.

Management of the Group liquidity pool
The Group manages the liquidity pool on a centralised basis and is primarily comprised of government bonds, balances with central banks and internal/external covered bonds. The composition of the liquidity pool is subject to limits recommended by the Risk function and approved by the Board.

At 30 June 2025, the Group held € 70,372 million (31 December 2024: € 69,063 million) in qualifying liquid assets (QLA)[1] of which € 7,369 million (31 December 2024: € 7,599 million) was not available due to repurchase, secured loans and other restrictions.

At 30 June 2025, the Group's available QLA was € 63,003 million (31 December 2024: € 61,464 million). During the six months to 30 June 2025, the available QLA ranged from € 59,549 million to € 66,072 million and the average balance was € 63,490 million.

The increase of € 1,539 million in the Group's available QLA was predominantly due to an increase in customer deposits in Ireland, debt market issuance, a decrease in securities financing activities where cash was exchanged for non-QLA eligible collateral offset by a share buy-back, a dividend payout, increase in customer loans, debt market buy-backs and contractual debt maturities.

Other contingent liquidity
The Group has access to other unencumbered assets providing a source of contingent liquidity which are not in the Group's liquidity pool. However, these assets may be monetised in a stress scenario to generate liquidity through use as collateral for secured funding or outright sale.

For further details of liquidity risk and its management, see pages 235 to 240 of the Annual Financial Report 2024.

Liquidity regulation
The Group is required to comply with the liquidity requirements of the Single Supervisory Mechanism/Central Bank of Ireland and also with the requirements of local regulators in jurisdictions in which it operates. The Group adheres to these requirements.

Liquidity metrics	30 June 2025 %	31 December 2024 %
Liquidity Coverage Ratio	204	201
Net Stable Funding Ratio	165	162

The Group monitors and reports its liquidity positions against Capital Requirements Regulations (CRR2) and other related liquidity regulations (LCR Delegated Act). It has fully complied with the minimum LCR and NSFR requirements of 100% in the six months to 30 June 2025. The Group LCR increased in the six months to 30 June 2025 by 3% to 204% which was predominantly due to an increase in customer deposits and debt market issuance offset by a share-buy-back, a dividend payout and debt market buy-backs. The Group NSFR increased in the six months to 30 June 2025 by 3% to 165% due mainly to an increase in customer deposits.

Funding structure *(reviewed)*
The Group's funding strategy is to deliver a sustainable, diversified and robust customer deposit base at economic pricing and to further enhance and strengthen the wholesale funding franchise with appropriate access to term markets to support core lending activities. The strategy aims to deliver a solid funding structure that complies with internal and regulatory policy requirements and reduces the probability of a liquidity stress, i.e. an inability to meet funding obligations as they fall due.

Customer deposits represent the largest source of funding for the Group with the core retail franchises and accompanying deposit base in both Ireland and the UK providing a stable and reasonably predictable source of funds.

Customer accounts *(reviewed)*	30 June 2025 € m	31 December 2024 € m
Total	112,518	109,883
Of which:		
Euro	101,239	98,270
Sterling	9,590	9,754
US dollar	1,453	1,624
Other currencies	236	235

Customer accounts increased by € 2,635 million in the six months to 30 June 2025, driven by higher personal and SME balances. This was predominantly reflected in higher Euro time deposits.

1. QLA are assets that can be readily converted into cash, either with the market or with the monetary authorities, and where there is no legal, operational or prudential impediments to their use as liquid assets.

Liquidity and funding risk *continued*

Composition of wholesale funding[1] *(reviewed)*

The Group maintains access to a variety of sources of wholesale funding including bank deposits, securities financing, debt securities and subordinated debt. At 30 June 2025, total wholesale funding outstanding was € 13,045 million (31 December 2024: € 11,491 million) of which € 3,448 million is due to mature in less than one year (31 December 2024: € 2,366 million).

(Reviewed)									30 June 2025
	< 1 month € m	1–3 months € m	3–6 months € m	6–12 months € m	Total < 1 year € m	1–3 years € m	3–5 years € m	> 5 years € m	Total € m
Deposits by central banks and banks	980	5	12	—	997	—	—	—	997
Securities financing	629	391	—	—	1,020	—	—	—	1,020
Senior debt	500	—	—	—	500	2,356	2,399	3,092	8,347
ACS	—	—	—	—	—	5	22	—	27
Credit linked notes	—	—	—	—	—	—	—	81	81
Commercial paper	268	375	126	162	931	—	—	—	931
Subordinated liabilities and other capital instruments	—	—	—	—	—	—	—	1,642	1,642
Total 30 June 2025	2,377	771	138	162	3,448	2,361	2,421	4,815	13,045
Of which:									
Secured	629	396	12	—	1,037	5	22	—	1,064
Unsecured	1,748	375	126	162	2,411	2,356	2,399	4,815	11,981
Total 30 June 2025	2,377	771	138	162	3,448	2,361	2,421	4,815	13,045

(Reviewed)									31 December 2024
	< 1 month € m	1–3 months € m	3–6 months € m	6–12 months € m	Total < 1 year € m	1–3 years € m	3–5 years € m	> 5 years € m	Total € m
Deposits by central banks and banks	830	—	6	—	836	—	—	—	836
Securities financing	184	12	—	—	196	—	—	—	196
Senior debt	—	—	—	495	495	2,183	3,461	1,734	7,873
ACS	2	—	—	—	2	—	5	20	27
Credit linked notes	—	—	—	—	—	—	—	95	95
Commercial paper	539	230	68	—	837	—	—	—	837
Subordinated liabilities and other capital instruments	—	—	—	—	—	—	—	1,627	1,627
Total 31 December 2024	1,555	242	74	495	2,366	2,183	3,466	3,476	11,491
Of which:									
Secured	186	12	6	—	204	—	5	115	324
Unsecured	1,369	230	68	495	2,162	2,183	3,461	3,361	11,167
Total 31 December 2024	1,555	242	74	495	2,366	2,183	3,466	3,476	11,491

1. The maturity analysis has been prepared using the residual contractual maturity of the liabilities.

Deposits by central banks and banks increased by € 161 million to € 997 million predominantly due to an increase in secured and unsecured Central Bank Borrowings. For further details, see note 18 to the condensed consolidated interim financial statements. Securities financing increased € 824 million to € 1,020 million reflective of an increase of standard securities sold under repurchase agreements.

In the six months to 30 June 2025, senior debt increased € 474 million to € 8,347 million primarily reflecting senior unsecured note issuances offset by senior unsecured note repurchases. In addition, the commercial paper programme increased € 94 million to € 931 million in the six months to 30 June 2025. For further details on debt securities, see note 20 to the condensed consolidated interim financial statements.

In the six months to 30 June 2025, subordinated liabilities remained broadly flat slightly increasing € 15 million to € 1,642 million. For further details on subordinated liabilities, see note 21 to the condensed consolidated interim financial statements.

Risk Management *continued*

Liquidity and funding risk *continued*

Currency composition of wholesale funding
At 30 June 2025, 67% (31 December 2024: 70%) of wholesale funding was in Euro with the remainder held in GBP and USD. The Group manages cross-currency refinancing risk against foreign exchange cash flow limits.

					30 June 2025					31 December 2024
	EUR € m	GBP € m	USD € m	Other € m	Total € m	EUR € m	GBP € m	USD € m	Other € m	Total € m
Deposits by central banks and banks	959	26	2	10	997	827	7	2	—	836
Securities financing	256	615	149	—	1,020	101	42	53	—	196
Senior debt	5,730	—	2,617	—	8,347	5,241	—	2,632	—	7,873
ACS	27	—	—	—	27	27	—	—	—	27
Credit linked notes	81	—	—	—	81	95	—	—	—	95
Commercial paper	15	460	456	—	931	105	436	296	—	837
Subordinated liabilities and other capital instruments	1,641	1	—	—	1,642	1,625	2	—	—	1,627
Total wholesale funding	8,709	1,102	3,224	10	13,045	8,021	487	2,983	—	11,491
% of wholesale funding	%	%	%	%	%	%	%	%	%	%
	67	8	25	—	100	70	4	26	—	100

Encumbrance
An asset is defined as encumbered if it has been pledged as collateral, and as a result is no longer available to the Group to secure funding, satisfy collateral needs or to be sold. As part of managing its funding requirements, the Group encumbers assets as collateral to support wholesale funding initiatives. This would include covered bonds, securities repurchase agreements and other structures that are secured over customer loans.
The Group manages encumbrance levels to ensure that the Group has sufficient contingent collateral to maximise balance sheet flexibility.

The Group's encumbrance ratio has increased to 5% at 30 June 2025 (31 December 2024: 4%) with € 7,176 million of the Group's assets encumbered (31 December 2024: € 5,885 million). The encumbrance level is based on the amount of assets that are required in order to meet regulatory and contractual commitments.

Financial Statements

In this section

Condensed Consolidated Income Statement (unaudited)

for the half-year ended 30 June 2025

	Note	Half-year 30 June 2025 € m	Half-year 30 June 2024 € m
Interest income calculated using the effective interest rate method	3	**2,446**	2,627
Other interest income and similar income	3	**53**	50
Interest and similar income	3	**2,499**	2,677
Interest and similar expense	4	**(625)**	(602)
Net interest income		**1,874**	2,075
Fee and commission income	2	**404**	429
Fee and commission expense	2	**(64)**	(78)
Net trading income		**9**	9
Net gain on other financial assets measured at FVTPL		**12**	29
Net (loss)/gain on derecognition of financial assets measured at amortised cost		**(3)**	1
Other income	5	**—**	15
Total other income		**358**	405
Total operating income		**2,232**	2,480
Operating expenses	6	**(947)**	(991)
Impairment and amortisation of intangible assets		**(110)**	(112)
Impairment and depreciation of property, plant and equipment		**(34)**	(37)
Total operating expenses		**(1,091)**	(1,140)
Operating profit before impairment losses		**1,141**	1,340
Net credit impairment charge	7	**(85)**	(61)
Operating profit		**1,056**	1,279
Income from equity accounted investments	15	**13**	16
Loss on disposal of business		**—**	(2)
Profit before taxation		**1,069**	1,293
Income tax charge	8	**(142)**	(185)
Profit for the period		**927**	1,108
Attributable to:			
– Equity holders of the parent		**928**	1,110
– Non-controlling interests		**(1)**	(2)
Profit for the period		**927**	1,108
Earnings per share			
Basic earnings per ordinary share	23	**39.0c**	42.0c
Diluted earnings per ordinary share	23	**39.0c**	42.0c

Condensed Consolidated Statement of Comprehensive Income (unaudited)

for the half-year ended 30 June 2025

	Note	Half-year 30 June 2025 € m	Half-year 30 June 2024 € m
Profit for the period		**927**	1,108
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of retirement benefit assets/(liabilities), net of tax	8	**(6)**	(12)
Total items that will not be reclassified subsequently to profit or loss		**(6)**	(12)
Items that will be reclassified subsequently to profit or loss when specific conditions are met			
Net change in foreign currency translation reserves, net of tax	8	**(48)**	36
Net change in cash flow hedges, net of tax	8	**15**	(477)
Net change in fair value of investment debt securities at FVOCI, net of tax	8	**54**	2
Total items that will be reclassified subsequently to profit or loss when specific conditions are met		**21**	(439)
Other comprehensive income/(loss) for the period, net of tax		**15**	(451)
Total comprehensive income for the period		**942**	657
Attributable to:			
– Equity holders of the parent		**943**	659
– Non-controlling interests		**(1)**	(2)
Total comprehensive income for the period		**942**	657

Condensed Consolidated Statement of Financial Position (unaudited)

as at 30 June 2025

	Note	30 June 2025 € m	31 December 2024 € m
Assets			
Cash and balances at central banks	27	**37,262**	37,315
Trading portfolio financial assets		**320**	136
Derivative financial instruments	9	**2,122**	2,144
Loans and advances to banks	10	**1,418**	1,321
Loans and advances to customers	11	**70,257**	69,889
Securities financing	12	**7,112**	6,643
Investment securities	14	**20,852**	18,668
Investments accounted for using the equity method	15	**379**	348
Intangible assets and goodwill		**947**	934
Property, plant and equipment		**494**	516
Other assets		**425**	475
Current taxation		**27**	21
Deferred tax assets	16	**2,152**	2,303
Prepayments and accrued income		**534**	522
Retirement benefit assets	17	**21**	31
Total assets		**144,322**	141,266
Liabilities			
Deposits by central banks and banks	18	**997**	836
Customer accounts	19	**112,518**	109,883
Securities financing	12	**1,020**	196
Trading portfolio financial liabilities		**143**	262
Derivative financial instruments	9	**1,415**	1,807
Debt securities in issue	20	**9,386**	8,832
Lease liabilities		**245**	258
Fair value changes of hedged items in portfolio hedges of interest rate risk		**102**	64
Current taxation		**8**	2
Deferred tax liabilities	16	**16**	14
Retirement benefit liabilities	17	**8**	9
Other liabilities		**1,538**	1,111
Accruals and deferred income		**789**	735
Subordinated liabilities and other capital instruments	21	**1,642**	1,627
Provisions for liabilities and commitments	22	**160**	203
Total liabilities		**129,987**	125,839
Equity			
Share capital	23	**1,335**	1,455
Reserves		**11,696**	12,742
Total shareholders' equity		**13,031**	14,197
Other equity interests	24	**1,314**	1,239
Non-controlling interests		**(10)**	(9)
Total equity		**14,335**	15,427
Total liabilities and equity		**144,322**	141,266

Condensed Consolidated Statement of Changes in Equity (unaudited)

for the half-year ended 30 June 2025

	Note	Attributable to equity holders of parent						
			Reserves					
		Share capital	Revenue	Other	Other equity interests	Total	Non-controlling interests	Total equity
		€ m	€ m	€ m	€ m	€ m	€ m	€ m
At 1 January 2025		1,455	15,676	(2,934)	1,239	15,436	(9)	15,427
Profit for the year		—	928	—	—	928	(1)	927
Other comprehensive income	8	—	(6)	21	—	15	—	15
Total comprehensive income for the year		—	922	21	—	943	(1)	942
Transactions with owners, recorded directly in equity								
Issuance of Additional Tier 1 securities	24	—	—	—	694	694	—	694
Buyback of Additional Tier 1 securities	24	—	(6)	—	(619)	(625)	—	(625)
Dividends paid on ordinary shares	31	—	(861)	—	—	(861)	—	(861)
Distributions paid to other equity interests	24	—	(42)	—	—	(42)	—	(42)
Buyback of ordinary shares	23	(120)	(1,200)	120	—	(1,200)	—	(1,200)
Total transactions with owners		(120)	(2,109)	120	75	(2,034)	—	(2,034)
At 30 June 2025		1,335	14,489	(2,793)	1,314	14,345	(10)	14,335

Other reserves comprise the following:

	Note	Capital reserves	Merger reserves	Capital redemption reserves	Revaluation reserves	Investment securities reserves	Cash flow hedging reserves	Foreign currency translation reserves	Total
		€ m	€ m	€ m	€ m	€ m	€ m	€ m	€ m
At 1 January 2025		1,133	(3,622)	255	12	(134)	(121)	(457)	(2,934)
Profit for the year		—	—	—	—	—	—	—	—
Other comprehensive income	8	—	—	—	—	54	15	(48)	21
Comprehensive income for the year		—	—	—	—	54	15	(48)	21
Transactions with owners, recorded directly in equity									
Buyback of ordinary shares	23	—	—	120	—	—	—	—	120
Transactions with owners		—	—	120	—	—	—	—	120
At 30 June 2025		1,133	(3,622)	375	12	(80)	(106)	(505)	(2,793)

Condensed Consolidated Statement of Changes in Equity (unaudited)

for the half-year ended 30 June 2024

	Note	Attributable to equity holders of parent: Share capital	Reserves: Revenue	Reserves: Other	Other equity interests	Total	Non-controlling interests	Total equity
		€ m	€ m	€ m	€ m	€ m	€ m	€ m
At 1 January 2024		1,637	15,618	(3,295)	1,115	15,075	(6)	15,069
Profit for the year		—	1,110	—	—	1,110	(2)	1,108
Other comprehensive income	8	—	(12)	(439)	—	(451)	—	(451)
Total comprehensive income for the year		—	1,098	(439)	—	659	(2)	657
Transactions with owners, recorded directly in equity								
Issuance of Additional Tier 1 securities	24	—	—	—	620	620	—	620
Buyback of Additional Tier 1 securities	24	—	(3)	—	(334)	(337)	—	(337)
Dividends paid on ordinary shares	31	—	(696)	—	—	(696)	—	(696)
Distributions paid to other equity interests	24	—	(34)	—	—	(34)	—	(34)
Buyback of ordinary shares	23	(124)	(1,000)	124	—	(1,000)	—	(1,000)
Total transactions with owners		(124)	(1,733)	124	286	(1,447)	—	(1,447)
At 30 June 2024		1,513	14,983	(3,610)	1,401	14,287	(8)	14,279

Other reserves comprise the following:

	Note	Capital reserves	Merger reserves	Capital redemption reserves	Revaluation reserves	Investment securities reserves	Cash flow hedging reserves	Foreign currency translation reserves	Total
		€ m	€ m	€ m	€ m	€ m	€ m	€ m	€ m
At 1 January 2024		1,133	(3,622)	73	12	(77)	(288)	(526)	(3,295)
Profit for the year		—	—	—	—	—	—	—	—
Other comprehensive income	8	—	—	—	—	2	(477)	36	(439)
Comprehensive income for the year		—	—	—	—	2	(477)	36	(439)
Transactions with owners, recorded directly in equity									
Buyback of ordinary shares	23	—	—	124	—	—	—	—	124
Transactions with owners		—	—	124	—	—	—	—	124
At 30 June 2024		1,133	(3,622)	197	12	(75)	(765)	(490)	(3,610)

Condensed Consolidated Statement of Cash Flows (unaudited)

for the half-year ended 30 June 2025

	Note	Half-year 30 June 2025 € m	Half-year 30 June 2024 € m
Cash flows from operating activities			
Profit before taxation for the period		**1,069**	1,293
Adjustments for:			
– Non-cash and other items	28	**579**	478
– Change in operating assets	28	**(1,759)**	(2,046)
– Change in operating liabilities	28	**4,398**	1,222
– Taxation paid		**(20)**	(27)
Net cash flow from operating activities[1]		**4,267**	920
Cash flows from investing activities			
Purchase of investment securities	14	**(3,491)**	(2,415)
Proceeds from sales, redemptions and maturity of investment securities	14	**1,176**	1,576
Additions to property, plant and equipment		**(10)**	(7)
Additions to intangible assets		**(124)**	(85)
Investments accounted for using the equity method	15	**(18)**	(6)
Dividends received from associated undertakings	15	**—**	25
Net cash flow from investing activities		**(2,467)**	(912)
Cash flows from financing activities			
Proceeds on issue of other equity interests	24	**694**	620
Repurchase of other equity interests	24	**(625)**	(337)
Proceeds on issue of debt securities[2]	20	**1,475**	923
Maturity of debt securities[2]	20	**—**	(1,680)
Repurchase of debt securities[2]	20	**(764)**	—
Proceeds on issue of subordinated liabilities	21	**—**	650
Repurchase of subordinated liabilities	21	**—**	(406)
Dividends paid on ordinary shares	31	**(861)**	(696)
Buyback of ordinary shares	23	**(1,200)**	(1,000)
Distributions paid to other equity interests	24	**(42)**	(34)
Repayment of lease liabilities		**(15)**	(17)
Interest paid on debt securities[2]		**(166)**	(151)
Interest paid on subordinated liabilities and other capital instruments		**(59)**	(33)
Net cash flow from financing activities		**(1,563)**	(2,161)
Change in cash and cash equivalents		**237**	(2,153)
Opening cash and cash equivalents		**38,327**	39,041
Effect of exchange translation adjustments		**(185)**	114
Closing cash and cash equivalents	27	**38,379**	37,002

1. Net cash flow from operating activities includes interest received of € 2,504 million (30 June 2024: € 2,700 million) and interest paid of € 358 million (30 June 2024: € 214 million).
2. Relates to debt securities classified at origination as MREL.

Notes to the Condensed Consolidated Interim Financial Statements

Notes to the Condensed Consolidated Interim Financial Statements

1 Basis of preparation, accounting policies, judgements and estimates

Reporting entity
AIB Group plc (the parent company or the Company) is a company domiciled in Ireland. The address of the Company's registered office is 10 Molesworth Street, Dublin 2, Ireland. AIB Group plc is registered under the Companies Act 2014 as a public limited company under the company number 594283 and is the holding company of the Group.

The condensed consolidated interim financial statements for the six months to 30 June 2025 (Half-Year Financial Report) comprise the Company and its subsidiary undertakings, collectively referred to as AIB Group or the Group, and the Group's interests in associated undertakings and joint ventures.

The consolidated financial statements of the Group for the year ended 31 December 2024 (the Annual Financial Report 2024) are available upon request from the Group Company Secretary or at www.aib.ie.

Going concern
The financial statements for the six months to 30 June 2025 have been prepared on a going concern basis, as the Directors are satisfied, having considered the risks and uncertainties impacting the Group, that it has the ability to continue in business for the period of assessment. In making this assessment, the Directors have considered a wide range of information relating to present and future conditions. This includes capital forecasts and internally generated stress scenarios that take account of geopolitical risks, the impacts of inflation, tariffs, increased interest rates and related impacts on unemployment and property prices. The period of assessment used by the Directors is at least 12 months from the date of approval of these condensed consolidated interim financial statements.

Basis of preparation
The condensed consolidated interim financial statements for the six months to 30 June 2025 have been prepared in accordance with IAS 34 *Interim Financial Reporting* as adopted by the European Union (EU). These financial statements should be read in conjunction with the Annual Financial Report 2024, which was prepared in accordance with International Accounting Standards and International Financial Reporting Standards (collectively IFRSs) as adopted by the EU. The condensed consolidated interim financial statements comprise the condensed consolidated income statement, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of financial position, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows, together with the related notes. The Half-Year Financial Report includes the information that is described as being an integral part of the condensed consolidated interim financial statements contained in the credit risk and liquidity and funding risk sections of the Risk Management Report.

Change in presentation for certain items in the primary statements
The Group's Annual Financial Report 2024 disclosed a change in the presentation of reserves, this has been reflected in the condensed consolidated statement of changes in equity in these condensed consolidated interim financial statements. The related comparatives have been re-presented. See page 266 in the Annual Financial Report 2024 for further details.

Change in presentation for certain notes to the condensed consolidated interim financial statements
Segmental information
The Group has introduced new categories of fee and commission income and expense in 2025 to separately identify the nature of those items in the Group's disclosures. The related comparatives have been re-presented. For further details refer to note 2.

Accounting policies
The accounting policies described on pages 266 to 279 of the Annual Financial Report 2024 have been applied in this Half-Year Financial Report.

New and amended standards and interpretations
There have been no new standards, or amendments to standards, adopted by the Group for the six months to 30 June 2025 which have had a material impact on the Group.

Critical accounting judgements and estimates
The preparation of the condensed consolidated interim financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of certain assets, liabilities, revenues and expenses, and disclosures of contingent assets and liabilities. The estimates and assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Since management's judgement may involve making estimates concerning the likelihood of future events, the actual results could differ from those estimates. The estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future period affected. The judgements that have a significant effect on the condensed consolidated interim financial statements and estimates with a significant risk of material adjustment in the next year relate to:
- Impairment of financial assets;
- Deferred taxation;
- Retirement benefit obligations; and
- Provisions for liabilities and commitments.

Critical accounting judgements and estimates adopted by the Group are set out on pages 280 to 282 of the Annual Financial Report 2024 and, while they remain appropriate, additional details and disclosures, taking account of developments in the six months to 30 June 2025, are as follows:

Impairment of financial assets
- The updated macroeconomic scenarios and weightings used in models to calculate the expected credit loss (ECL) allowance are set out on pages 31 to 34.
- The significant judgements relating to management adjustments to reflect all available information that have not been included in the risk measurement process modelled outcomes are outlined on pages 36 and 37.

Statement of compliance
The condensed consolidated interim financial statements comply with IAS 34 *Interim Financial Reporting*, as issued by the IASB and as adopted by the EU.

The interim figures for the six months to 30 June 2025 are unaudited but have been reviewed by the Group's independent auditor, PricewaterhouseCoopers, whose report is set out on page 102. The financial information presented herein does not amount to statutory financial statements within the meaning of the Companies Act 2014. The Half-Year Financial Report is a requirement of the Transparency (Directive 2004/109/EC) Regulations 2007.

The financial statements for the financial year ended 31 December 2024 as presented in the condensed consolidated interim financial statements represent an abbreviated version of the Group's full accounts for that year, on which the Group's independent auditor, PricewaterhouseCoopers, issued an unqualified audit report and did not include a reference to any matters to which the statutory auditor drew attention by way of emphasis without qualifying the report. The 31 December 2024 financial statements are not annexed to these condensed consolidated interim financial statements. The financial statements for the financial year ended 31 December 2024 will be filed in the Companies Registration Office on or before 30 September 2025.

Notes to the Condensed Consolidated Interim Financial Statements *continued*

2 Segmental information

Segment overview

The Group has identified reportable segments on the basis of internal reports about components of the Group that are regularly reviewed by the Chief Operating Decision Maker (CODM) in order to allocate resources to the segment and assess its performance. Based on this identification, the reportable segments are the operating segments within the Group. The Executive Leadership Team is the CODM and it relies primarily on the management accounts to assess performance of the reportable segments and when making resource allocation decisions.

Transactions between operating segments are on normal commercial terms and conditions, with internal charges and transfer pricing adjustments reflected in the performance of each operating segment. Revenue sharing agreements are used to allocate external customer revenues to an operating segment on a reasonable basis. The geographical distribution of total revenue is based primarily on the location of the office recording the transaction.

The Group's performance in the six months to 30 June 2025 was managed and reported across Retail Banking, AIB Capital Markets (Capital Markets), Climate Capital, AIB UK and Group segments. Segment performance excludes exceptional items. In July, the Group announced the integration of our UK business into Retail Banking. The Group will disclose the related impact, if any, of this on the Group's segmental disclosures in the 2025 Annual Financial Report.

Retail Banking

Our leading Irish retail franchise provides a comprehensive range of products and services to more than 3 million customers delivered through our branch, digital and phone banking channels; with an expanded reach into the retail customer base via EBS, Haven, AIB Merchant Services, Payzone, Nifti and AIB life.

- Homes and Consumer are responsible for meeting the everyday banking needs of customers in Ireland by delivering innovative products, propositions and services and for growing our market leading positions. Our aim is to achieve a seamless and transparent customer experience across all our products and services including mortgages, current accounts, personal lending, payments and credit cards, deposits, wealth and insurance.
- SME serves our micro and small SME customers through our sector-led strategy and local expertise, with an extensive product and services offering. Our aim is to help our customers create and build sustainable businesses in their communities.

Capital Markets

Capital Markets provides institutional, corporate and business banking services to the Group's larger customers and customers requiring specific sector or product expertise. Capital Markets' relationship-driven model serves customers through sector specialist teams including corporate banking, real estate finance and business banking.

In addition to traditional credit products, Capital Markets offers customers foreign exchange and interest rate risk management products, cash management products, trade finance, mezzanine finance, structured and specialist finance and equity investments, as well as Private Banking services and advice. Capital Markets also has syndicated and international finance teams based in Dublin and in New York.

Goodbody offers further capabilities in wealth management, asset management and investment banking services. It also provides investment support for Irish venture capital and private equity funds and a range of bespoke funding and investment solutions for growing Irish-based SMEs.

Climate Capital

Climate Capital specialises in lending to large scale renewable energy and infrastructure projects, which are key drivers for sustainable economic growth. The business serves the Irish, UK, European and North American markets through offices in Dublin, London and New York.

AIB UK

AIB UK offers corporate, retail and business banking services in two distinct markets:

- A sector-led corporate bank supporting medium to large corporates focused on infrastructure, housing, commercial real estate, health, hotels and diversified businesses across both Great Britain and Northern Ireland. Services include lending, treasury, trade facilities, asset finance and invoice discounting.
- A full-service retail bank in Northern Ireland (AIB NI) to personal and business customers, with a focus on mortgage and business lending.

Group

Group comprises wholesale treasury activities and Group control and support functions. Treasury manages the Group's liquidity and funding positions and provides customer treasury services and economic research. The Group control and support functions in the period included Technology and Data, Operations and Business Services, Finance, Risk, Legal, Corporate Governance, Chief Customer Office, Human Resources, Strategy and Sustainability, Corporate Affairs and Group Internal Audit.

Segment allocations

Under the Group's cost allocation methodology, substantially all of the costs of the Group's control, support and Treasury functions are allocated to Retail Banking, Capital Markets, Climate Capital and AIB UK. In addition, certain Bank levies and regulatory fees, such as the Irish bank levy, are allocated to the Retail Banking, Capital Markets and Climate Capital segments.

Funding and liquidity income/charges are based on each segment's funding requirements and the Group's funding cost profile, which is informed by wholesale and retail funding costs. Income attributable to capital is allocated to segments based on each segment's capital requirement.

Change in presentation of net fee and commission income

As disclosed in note 1, the Group has introduced new categories of fee income and expense for 2025 to separately identify the nature of those items in the Group's disclosures. The Group now discloses Wealth and Insurance, Investment Banking and Customer accounts and payment services as separate categories of fee income and fee expense and has re-presented the comparatives on this basis. For the 2024 comparatives:

- € 21 million of Stockbroking client fees and commissions income, € 20 million of Other fees and commissions income and € 3 million of Other fees and commissions expense were re-presented as Wealth and Insurance;
- € 7 million of Stockbroking client fees and commissions income, € 2 million of Other fees and commissions income and € 1 million of Other fees and commissions expense were re-presented as Investment Banking; and
- € 64 million of Specialised payments services (Payzone) income and € 54 million of Specialised payments services (Payzone) expense were re-presented as Customer accounts and payment services.

2 Segmental information *continued*

	Retail Banking € m	Capital Markets € m	Climate Capital € m	AIB UK € m	Group € m	Total € m	Exceptional items[1] € m	Half-year 30 June 2025 Total € m
Operations by business segment								
Net interest income	1,189	392	69	172	52	1,874	—	1,874
Other income/(expense)	243	92	9	17	(3)	358	—	358
*Of which: Net fee and commission income**	233	80	8	20	(1)	340	—	340
Other	10	12	1	(3)	(2)	18	—	18
Total operating income	1,432	484	78	189	49	2,232	—	2,232
Other operating expenses	(671)	(187)	(22)	(95)	(4)	(979)	(4)	(983)
Of which: Personnel expenses	*(292)*	*(117)*	*(15)*	*(49)*	*(3)*	*(476)*	*(5)*[2]	*(481)*
General and administrative expenses	*(267)*	*(51)*	*(5)*	*(35)*	*(1)*	*(359)*	*1*[3]	*(358)*
Depreciation, impairment and amortisation	*(112)*	*(19)*	*(2)*	*(11)*	—	*(144)*	—	*(144)*
Bank levies and regulatory fees	(91)	(13)	(1)	(1)	(2)	(108)	—	(108)
Total operating expenses	(762)	(200)	(23)	(96)	(6)	(1,087)	(4)	(1,091)
Operating profit/(loss) before impairment losses	670	284	55	93	43	1,145	(4)	1,141
Net credit impairment (charge)/writeback	(31)	(1)	7	(52)	(8)	(85)	—	(85)
Operating profit/(loss)	639	283	62	41	35	1,060	(4)	1,056
Income from equity accounted investments	11	—	—	2	—	13	—	13
Loss on disposal of business	—	—	—	—	—	—	—	—
Profit/(loss) before taxation	650	283	62	43	35	1,073	(4)	1,069

1. Exceptional items are shown separately above. These are items that Management view as distorting comparability of performance year-on-year. Exceptional items are set out in footnotes 2 and 3 below.
2. Restructuring costs.
3. Customer redress writeback.

***Net fee and commission income**	Retail Banking € m	Capital Markets € m	Climate Capital € m	AIB UK € m	Group € m	Total € m	Exceptional items € m	Half-year 30 June 2025 Total € m
Customer accounts and payment services	162	13	1	6	—	182	—	182
Card income	82	4	—	6	—	92	—	92
Customer related foreign exchange	21	17	—	3	1	42	—	42
Wealth and insurance[1]	19	25	—	—	—	44	—	44
Lending related fees	4	13	5	6	—	28	—	28
Investment banking[2]	—	11	—	—	—	11	—	11
Other fees and commissions	3	—	2	—	—	5	—	5
Fee and commission income	291	83	8	21	1	404	—	404
Customer accounts and payment services	(51)	—	—	—	—	(51)	—	(51)
Card expenses	(5)	—	—	(1)	—	(6)	—	(6)
Wealth and insurance[1]	(1)	(2)	—	—	—	(3)	—	(3)
Investment banking[2]	—	(1)	—	—	—	(1)	—	(1)
Other fees and commissions	(1)	—	—	—	(2)	(3)	—	(3)
Fee and commission expense	(58)	(3)	—	(1)	(2)	(64)	—	(64)
Total net fee and commission income	233	80	8	20	(1)	340	—	340

1. Wealth refers to fees and commissions from financial planning and investment management services. Insurance refers to fees and commissions from selling insurance products, such as home, car and travel insurance on behalf of the Group's insurance partners.
2. Investment banking relates to fees and commissions earned from advisory, corporate research and transactional services for debt or equity raising.

Fees and commissions which are an integral part of the effective interest rate are recognised as part of interest and similar income (note 3) or interest and similar expense (note 4).

Notes to the Condensed Consolidated Interim Financial Statements *continued*

2 Segmental information *continued*

	Retail Banking	Capital Markets	Climate Capital	AIB UK	Group	Total	Exceptional items[1]	Half-year 30 June 2024 Total
	€ m	€ m	€ m	€ m	€ m	€ m	€ m	€ m
Operations by business segment								
Net interest income	1,324	456	51	191	53	2,075	—	2,075
Other income	240	117	6	20	12	395	10	405
*Of which: Net fee and commission income**	231	79	6	18	2	336	15[2]	351
Other	9	38	—	2	10	59	(5)[3]	54
Total operating income	1,564	573	57	211	65	2,470	10	2,480
Other operating expenses	(652)	(179)	(20)	(89)	(7)	(947)	(65)	(1,012)
Of which: Personnel expenses	*(301)*	*(116)*	*(12)*	*(46)*	*(3)*	*(478)*	—	*(478)*
General and administrative expenses	*(237)*	*(44)*	*(5)*	*(32)*	*(2)*	*(320)*	*(65)*[4,5]	*(385)*
Depreciation, impairment and amortisation	*(114)*	*(19)*	*(3)*	*(11)*	*(2)*	*(149)*	—	*(149)*
Bank levies and regulatory fees	(101)	(16)	—	—	(11)	(128)	—	(128)
Total operating expenses	(753)	(195)	(20)	(89)	(18)	(1,075)	(65)	(1,140)
Operating profit/(loss) before impairment losses	811	378	37	122	47	1,395	(55)	1,340
Net credit impairment charge	(21)	(15)	(4)	(21)	—	(61)	—	(61)
Operating profit/(loss)	790	363	33	101	47	1,334	(55)	1,279
Income from equity accounted investments	13	—	—	3	—	16	—	16
Loss on disposal of business	—	—	—	—	(2)	(2)	—	(2)
Profit/(loss) before taxation	803	363	33	104	45	1,348	(55)	1,293

1. Exceptional items are shown separately above. These are items that Management view as distorting comparability of performance year-on-year. Exceptional items are set out in footnotes 2 to 5 below.
2. Run-off fee receivable on exit of a servicing arrangement.
3. Loss on disposal of loan portfolios.
4. Customer redress costs.
5. Inorganic transaction costs.

***Net fee and commission income**	Retail Banking € m	Capital Markets € m	Climate Capital € m	AIB UK € m	Group € m	Total € m	Exceptional items € m	Half-year 30 June 2024 Total € m
Customer accounts and payment services	171	13	1	6	—	191	—	191
Card income	81	4	—	6	—	91	—	91
Customer related foreign exchange	25	18	—	3	1	47	—	47
Wealth and insurance[1]	18	23	—	—	—	41	—	41
Lending related fees	4	14	5	5	—	28	—	28
Investment banking[2]	—	9	—	—	—	9	—	9
Other fees and commissions	4	—	—	—	3	7	15[3]	22
Fee and commission income	303	81	6	20	4	414	15	429
Customer accounts and payment services	(54)	—	—	—	—	(54)		(54)
Card expenses	(15)	—	—	(2)	—	(17)	—	(17)
Wealth and insurance[1]	(2)	(1)	—	—	—	(3)	—	(3)
Investment banking[2]	—	(1)	—	—	—	(1)	—	(1)
Other fees and commissions	(1)	—	—	—	(2)	(3)	—	(3)
Fee and commission expense	(72)	(2)	—	(2)	(2)	(78)	—	(78)
Total net fee and commission income	231	79	6	18	2	336	15	351

1. Wealth refers to fees and commissions from financial planning and investment management services. Insurance refers to fees and commissions from selling insurance products, such as home, car and travel insurance on behalf of the Group's insurance partners.
2. Investment banking relates to fees and commissions earned from advisory, corporate research and transactional services for debt or equity raising.
3. Run-off fee receivable on exit of a servicing arrangement.

2 Segmental information *continued*

Other amounts – statement of financial position	Retail Banking € m	Capital Markets € m	Climate Capital € m	AIB UK € m	Group € m	30 June 2025 Total € m
Loans and advances to customers:						
– measured at amortised cost	**41,845**	**16,549**	**5,942**	**5,812**	**35**	**70,183**
– measured at FVTPL	**—**	**74**	**—**	**—**	**—**	**74**
Total loans and advances to customers	**41,845**	**16,623**	**5,942**	**5,812**	**35**	**70,257**
Customer accounts	**87,198**	**15,508**	**390**	**8,404**	**1,018**	**112,518**

Other amounts – statement of financial position	Retail Banking € m	Capital Markets € m	Climate Capital € m	AIB UK € m	Group € m	31 December 2024 Total € m
Loans and advances to customers:						
– measured at amortised cost	41,570	16,885	5,483	5,837	50	69,825
– measured at FVTPL	—	64	—	—	—	64
Total loans and advances to customers	41,570	16,949	5,483	5,837	50	69,889
Customer accounts	84,206	15,555	365	8,575	1,182	109,883

Geographic information[1]	Ireland € m	United Kingdom € m	Rest of the World € m	Half-year 30 June 2025 Total € m
Gross external revenue	**1,889**	**301**	**42**	**2,232**
Inter-geographical segment revenue	**104**	**(73)**	**(31)**	**—**
Total revenue	**1,993**	**228**	**11**	**2,232**

Geographic information[1]	Ireland € m	United Kingdom € m	Rest of the World € m	Half-year 30 June 2024 Total € m
Gross external revenue	2,241	215	24	2,480
Inter-geographical segment revenue	(17)	40	(23)	—
Total revenue	2,224	255	1	2,480

Revenue from external customers comprises net fee and commission income (note 2), interest and similar income (note 3), interest and similar expense (note 4), other income (note 5) and all other items of total operating income disclosed in the condensed consolidated income statement.

Geographic Information	Ireland € m	United Kingdom € m	Rest of the World € m	30 June 2025 Total € m
Non-current assets[2]	**1,382**	**53**	**6**	**1,441**

Geographic Information	Ireland € m	United Kingdom € m	Rest of the World € m	31 December 2024 Total € m
Non-current assets[2]	1,387	55	8	1,450

1. For details of significant geographic concentrations, see the Risk Management section.
2. Non-current assets comprise intangible assets, goodwill and property, plant and equipment.

Notes to the Condensed Consolidated Interim Financial Statements *continued*

3 Interest and similar income

	Half-year 30 June 2025 € m	Half-year 30 June 2024 € m
Interest on loans and advances to customers[1]	**1,479**	1,294
Interest on loans and advances to banks	**540**	757
Interest on securities financing	**103**	142
Interest on investment securities	**324**	434
Interest income calculated using the effective interest rate method	**2,446**	2,627
Interest income on finance leases and hire purchase contracts	**48**	46
Interest income on financial assets at FVTPL	**5**	4
Other interest income and similar income	**53**	50
Total interest and similar income	**2,499**	2,677

1. Includes a charge of € 83 million (Half-year 30 June 2024: a charge of € 366 million) transferred from other comprehensive income in respect of cash flow hedges.

4 Interest and similar expense

	Half-year 30 June 2025 € m	Half-year 30 June 2024 € m
Interest on customer accounts[1]	**276**	200
Interest on deposits by central banks and banks	**11**	22
Interest on securities financing	**10**	17
Interest on debt securities in issue	**242**	280
Interest on lease liabilities	**5**	4
Interest on subordinated liabilities and other capital instruments	**44**	55
Interest expense on financial liabilities	**588**	578
Negative interest on financial assets	**—**	1
Interest expense calculated using the effective interest rate method	**588**	579
Non-trading derivatives (not in hedge accounting relationships – economic hedges)	**37**	23
Other interest and similar expense	**37**	23
Total interest and similar expense	**625**	602

1. Includes a credit of € 16 million (Half-year 30 June 2024: a credit of € 27 million) transferred from other comprehensive income in respect of cash flow hedges.

5 Other income

	Half-year 30 June 2025 € m	Half-year 30 June 2024 € m
Loss on disposal of investment securities at FVOCI – debt	**(34)**	(34)
Gain on termination of hedging swaps[1]	**34**	23
Dividend income	**—**	1
Miscellaneous operating income	**—**	25
Total other income	**—**	15

1. The majority of the gain on termination of hedging swaps relates to the disposal of debt securities at FVOCI.

6 Operating expenses

	Half-year 30 June 2025 € m	Half-year 30 June 2024 € m
Personnel expenses:		
Wages and salaries	379	380
Termination benefits[1]	5	4
Retirement benefits[2]	58	55
Social security costs	41	41
Other personnel expenses	17	14
	500	494
Less: staff costs capitalised to intangible assets	(19)	(16)
Total personnel expenses	481	478
General and administrative expenses	358	338
Customer redress	—	47
	358	385
Bank levies and regulatory fees	108	128
Total operating expenses	947	991

1. Represents charges for voluntary severance.
2. Comprises a defined contribution charge of € 49 million (Half-year 30 June 2024: a charge of € 47 million), a defined benefit expense charge of € 3 million (Half-year 30 June 2024: a charge of € 2 million), and a long-term disability payments/death in service benefit charge of € 6 million (Half-year 30 June 2024: a charge of € 6 million). For details of retirement benefits, see note 17.

7 Net credit impairment charge

	Half-year 30 June 2025			Half-year 30 June 2024		
Net remeasurement of ECL allowance	Measured at amortised cost € m	Measured at FVOCI € m	Total € m	Measured at amortised cost € m	Measured at FVOCI € m	Total € m
Loans and advances to banks	—	—	—	—	—	—
Loans and advances to customers	(99)	—	(99)	(77)	—	(77)
Securities financing	(1)	—	(1)	—	—	—
Loan commitments	5	—	5	(3)	—	(3)
Financial guarantee contracts	1	—	1	3	—	3
Investment securities – debt	—	(7)	(7)	2	—	2
Net remeasurement of ECL allowance	(94)	(7)	(101)	(75)	—	(75)
Recoveries of amounts previously written-off	16	—	16	14	—	14
Net credit impairment charge	(78)	(7)	(85)	(61)	—	(61)

Notes to the Condensed Consolidated Interim Financial Statements *continued*

8 Taxation

	Half-year 30 June 2025 € m	Half-year 30 June 2024 € m
Current tax		
Corporation tax in Ireland		
Current tax on income for the period	(4)	(4)
	(4)	(4)
Foreign tax		
Current tax on income for the period	(16)	(33)
	(16)	(33)
Current tax charge for the period	(20)	(37)
Deferred taxation		
Origination and reversal of temporary differences	1	2
Reduction in carrying value of deferred tax assets in respect of carried forward losses	(123)	(150)
Deferred tax charge for the period	(122)	(148)
Total tax charge for the period	(142)	(185)
Effective tax rate	13.3 %	14.3 %

The Group has been within the scope of the global minimum top-up tax under Pillar Two tax legislation since 1 January 2024; however, the Group is not liable to any additional top-up tax expense for the period in Ireland or any of the other jurisdictions in which it operates. This is because the Pillar Two effective tax rate in each of those jurisdictions is above 15% or exemptions apply.

The following table sets out the movements recognised in other comprehensive income in the period before and after the effect of tax.

Recognised within other comprehensive income in the Consolidated Statement of Comprehensive Income

			Half-year 30 June 2025			Half-year 30 June 2024
	Gross € m	Tax € m	Net € m	Gross € m	Tax € m	Net € m
Revenue reserves						
Remeasurement of retirement benefit assets/(liabilities)	(8)	2	(6)	(15)	3	(12)
Total	(8)	2	(6)	(15)	3	(12)
Foreign currency translation reserves						
Recognised in other comprehensive income:						
– *net gains/(losses) on net investment hedges*	43	(5)	38	(38)	5	(33)
– *net exchange differences on translation of foreign operations*	(86)	—	(86)	69	—	69
Total	(43)	(5)	(48)	31	5	36
Cash flow hedging reserves						
Amounts reclassified from the cash flow hedging reserves to the income statement as a reclassification adjustment:						
– *amounts that have been reclassified because the hedged item has affected the income statement*	67	(8)	59	339	(42)	297
Hedging losses recognised in other comprehensive income	(42)	(2)	(44)	(889)	115	(774)
Total	25	(10)	15	(550)	73	(477)
Investment debt securities at FVOCI reserves						
Fair value losses reclassified to income statement	34	(4)	30	34	(4)	30
Fair value gains/(losses) recognised in other comprehensive income	27	(3)	24	(32)	4	(28)
Total	61	(7)	54	2	—	2
Total movements recognised in other comprehensive income	35	(20)	15	(532)	81	(451)

9 Derivative financial instruments

The following table shows the notional principal amount and the fair value of derivative financial instruments analysed by product and purpose at 30 June 2025 and 31 December 2024.

	30 June 2025			31 December 2024		
	Notional principal amount	Fair values		Notional principal amount	Fair values	
		Assets	Liabilities		Assets	Liabilities
	€ m	€ m	€ m	€ m	€ m	€ m
Derivatives held for trading						
Interest rate contracts	15,006	331	(308)	14,733	390	(367)
Exchange rate contracts	7,008	105	(46)	7,246	35	(88)
Equity contracts	41	1	—	41	—	—
Credit derivatives	83	—	(3)	83	—	(3)
Virtual corporate power purchase agreement	2	—	(1)	2	—	(3)
Total derivatives held for trading	22,140	437	(358)	22,105	425	(461)
Derivatives held for hedging						
Derivatives designated as fair value hedges	49,658	1,052	(287)	29,966	1,055	(363)
Derivatives designated as cash flow hedges	38,598	622	(770)	41,972	664	(959)
Derivatives designated as net investment hedges	1,409	11	—	1,439	—	(24)
Total derivatives held for hedging	89,665	1,685	(1,057)	73,377	1,719	(1,346)
Total derivative financial instruments	111,805	2,122	(1,415)	95,482	2,144	(1,807)

The Group uses the same credit control and risk management policies in undertaking all off-balance sheet commitments as it does for on-balance sheet lending including counterparty credit approval, limit setting and monitoring procedures. In addition, derivative instruments are subject to the market risk policies and control framework as described in the Risk Management section of the Annual Financial Report 2024.

For further details on the Group's derivative activity, see note 16 of the Annual Financial Report 2024.

10 Loans and advances to banks

	30 June 2025 € m	31 December 2024 € m
At amortised cost		
Funds placed with central banks	234	241
Funds placed with other banks	1,184	1,080
	1,418	1,321
ECL allowance	—	—
Total loans and advances to banks	1,418	1,321
of which comprises cash collateral payable to derivative and repurchase agreement counterparties	*839*	*680*
of which comprises restricted balances held in trust in respect of certain payables[1]	*4*	*6*
of which comprises reserve balances maintained with the Bank of England as required by law	*234*	*241*

1. Included in other liabilities in the Condensed Consolidated Statement of Financial Position.

Notes to the Condensed Consolidated Interim Financial Statements *continued*

11 Loans and advances to customers

	30 June 2025 € m	31 December 2024 € m
At amortised cost		
Loans and advances to customers	**69,669**	69,453
Amounts receivable under finance leases and hire purchase contracts	**1,879**	1,716
	71,548	71,169
ECL allowance	**(1,365)**	(1,344)
	70,183	69,825
Mandatorily at fair value through profit or loss		
Loans and advances to customers	**74**	64
Total loans and advances to customers	**70,257**	69,889
of which comprises amounts repayable on demand	***2,357***	*2,319*
of which comprises amounts due from equity accounted investments[1]	***84***	*66*
of which comprises cash collateral placed with derivative counterparties	***35***	*50*

1. Undrawn commitments amount to € 173 million and are less than one year (31 December 2024: € 208 million).

12 Securities financing

	30 June 2025 Banks € m	30 June 2025 Customers € m	30 June 2025 Total € m	31 December 2024 Banks € m	31 December 2024 Customers € m	31 December 2024 Total € m
Assets						
Reverse repurchase agreements	**4,119**	**151**	**4,270**	3,380	175	3,555
Securities borrowing transactions	**1,530**	**1,312**	**2,842**	1,848	1,240	3,088
Total[1]	**5,649**	**1,463**	**7,112**	5,228	1,415	6,643
Liabilities						
Securities sold under agreements to repurchase	**1,018**	**2**	**1,020**	191	5	196
Total	**1,018**	**2**	**1,020**	191	5	196

1. Classified as ECL Stage 1 and have an ECL of € 2 million at 30 June 2025 (31 December 2024: € 1 million).

In accordance with the terms of the reverse repurchase agreements and securities borrowing agreements, the Group accepts collateral that it is permitted to sell or repledge in the absence of default by the owner of the collateral. At 30 June 2025, the total fair value of the collateral received was € 7,112 million (31 December 2024: € 6,643 million), none of which had been resold or repledged. These transactions were conducted under terms that are usual and customary to standard reverse repurchase agreements and securities borrowing agreements.

Securities sold under agreements to repurchase mature within six months and are secured by debt securities and eligible assets. At 30 June 2025, in relation to securities sold under agreements to repurchase, the Group had pledged collateral with a fair value of € 1,020 million (31 December 2024: € 196 million). These transactions were conducted under terms that are usual and customary to standard securities sold under repurchase agreements.

13 ECL allowance on financial assets

The following table shows the movements on the ECL allowance on financial assets. Further information is disclosed in the Gross Loans and ECL movements tables in the Risk Management section of this report. See pages 46 to 49.

	30 June 2025 € m	31 December 2024 € m
At 1 January	**1,347**	1,525
Net remeasurement of ECL allowance – investment securities – debt	**—**	(2)
Net remeasurement of ECL allowance – banks	**—**	—
Net remeasurement of ECL allowance – customers	**99**	92
Net remeasurement of ECL allowance – securities financing	**1**	—
Changes in ECL allowance due to write-offs	**(62)**	(126)
Changes in ECL allowance due to disposals	**(12)**	(173)
Exchange translation adjustments	**(9)**	16
Other	**5**	15
At end of period	**1,369**	1,347
Amounts included in financial assets measured at amortised cost:		
Investment securities – debt	**1**	1
Loans and advances to banks	**—**	—
Loans and advances to customers	**1,365**	1,344
Securities financing	**2**	1
Other assets – stockbroking client debtors	**1**	1
At end of period	**1,369**	1,347

14 Investment securities

	30 June 2025 € m	31 December 2024 € m
Debt securities		
Debt securities at FVOCI[1]	**15,794**	13,568
Debt securities at amortised cost	**4,773**	4,803
Total debt securities	**20,567**	18,371
of which provided as collateral	***3,740***	*2,822*
Equity securities		
Equity securities at FVTPL	**285**	297
Total equity securities	**285**	297
Total investment securities	**20,852**	18,668

The following table analyses the carrying amount of debt securities by ECL stage:

Gross amount		
Stage 1	**20,568**	18,372
Stage 2	**—**	—
Total debt securities	**20,568**	18,372
ECL[2]	**(1)**	(1)
Carrying value	**20,567**	18,371

1. The cumulative ECL of € 9 million (31 December 2024: € 2 million) on debt securities at FVOCI does not reduce the carrying amount, but an amount equal to the allowance is recognised in other comprehensive income as an accumulated impairment amount, with corresponding impairment gains or losses recognised in the income statement.
2. Relates to debt securities at amortised cost.

Notes to the Condensed Consolidated Interim Financial Statements *continued*

15 Investments accounted for using the equity method

	30 June 2025			31 December 2024		
	Associates	**Joint venture**	**Total**	Associates	Joint venture	Total
	€ m	**€ m**	**€ m**	€ m	€ m	€ m
Share of net assets including goodwill						
At 1 January	**243**	**105**	**348**	208	102	310
Investment during the year	**16**	**2**	**18**	27	10	37
Dividends received	**—**	**—**	**—**	(25)	—	(25)
Share of results of equity accounted investments (after tax)	**15**	**(2)**	**13**	33	(7)	26
At end of period	**274**	**105**	**379**	243	105	348

For further details of investments accounted for using the equity method, see note 22 of the Annual Financial Report 2024.

In 2025, the Group announced that it has reached agreement on the sale of its minority shareholding of 49.9% in AIB Merchant Services (AIBMS) to the majority shareholder Fiserv, Inc. The transaction is expected to complete later this year subject to all relevant regulatory approvals and customary closing conditions. The Group expects to recognise a gain on disposal of its investment in AIBMS.

16 Deferred taxation

Analysis of movements in deferred taxation	**30 June 2025 € m**	31 December 2024 € m
At 1 January	**2,289**	2,558
Exchange translation and other adjustments	**(11)**	15
Deferred tax through other comprehensive income *(note 8)*	**(20)**	7
Income statement *(note 8)*	**(122)**	(291)
At end of period	**2,136**	2,289
Analysed as to:		
Deferred tax assets	**2,196**	2,362
Deferred tax liabilities	**(60)**	(73)
	2,136	2,289
Represented on the statement of financial position:		
Deferred tax assets	**2,152**	2,303
Deferred tax liabilities	**(16)**	(14)
Total deferred taxation	**2,136**	2,289

Information on the basis of recognition of deferred tax assets on unused tax losses is included in note 2 on page 280 of the Annual Financial Report 2024.

During the period, the Group recognised a net charge of € 123 million to the income statement in respect of deferred tax assets arising from unutilised tax losses (31 December 2024: € 294 million). In addition, the carrying value decreased by € 17 million (31 December 2024: increase of € 23 million) due to exchange translation differences and other adjustments. As a result, the recognised deferred tax asset relating to unutilised tax losses amounted to € 2,063 million at the reporting date (31 December 2024: € 2,203 million), comprising:
- € 1,862 million related to Irish tax losses (31 December 2024: € 1,995 million);
- € 186 million related to UK tax losses (31 December 2024: € 191 million); and
- € 15 million related to US tax losses (31 December 2024: € 17 million).

17 Retirement benefits

The Group's accounting policy for retirement benefit obligations is set out on pages 269 and 270 of the Annual Financial Report 2024. The Group operates a number of defined contribution and defined benefit schemes for employees. The most significant defined benefit schemes operated by the Group are the AIB Group Irish Pension Scheme (the Irish scheme) and the AIB Group UK Pension Scheme (the UK scheme). All defined benefit schemes are closed to future accrual.

Defined contribution

The amount included in operating expenses in respect of defined contribution schemes for the half-year ended 30 June 2025 is € 49 million (Half-year 30 June 2024: € 47 million).

Defined benefit schemes

(i) Financial assumptions

The following table summarises the financial assumptions adopted in the preparation of these financial statements in respect of the most significant schemes for the half-year ended 30 June 2025 and the year ended 31 December 2024. The assumptions have been set based upon the advice of the Group's actuary.

Financial assumptions	**30 June 2025 %**	31 December 2024 %
Irish scheme		
Rate of increase of pensions in payment	**2.10**	1.90
Discount rate	**3.84**	3.52
Inflation assumptions[1]	**1.85**	1.90
UK scheme		
Rate of increase of pensions in payment[2]	**3.00**	3.20
Discount rate	**5.80**	5.50
Inflation assumptions (RPI)[2]	**2.90**	3.10

1. The inflation assumption applies to the revaluation of deferred members' benefits up to their retirement date.
2. The UK scheme's long-term inflation (RPI) assumption considers both projected inflation and deflation. The pension increase assumption considers increases in line with RPI but has a floor of 0%.

(ii) Movement in defined benefit obligation and scheme assets

The following table sets out the movement in the defined benefit obligation and scheme assets:

				30 June 2025				31 December 2024
	Defined benefit obligation € m	**Fair value of scheme assets € m**	**Asset ceiling/ minimum funding[1] € m**	**Net defined benefit (liabilities) assets € m**	Defined benefit obligation € m	Fair value of scheme assets € m	Asset ceiling/ minimum funding[1] € m	Net defined benefit (liabilities) assets € m
At 1 January	**(4,950)**	**5,586**	**(614)**	**22**	(5,023)	5,690	(650)	17
Included in profit or loss								
Past service cost	**(1)**	**—**	**—**	**(1)**	(1)	—	—	(1)
Interest (cost)/income	**(93)**	**104**	**(11)**	**—**	(183)	209	(23)	3
Administration costs	**—**	**(2)**	**—**	**(2)**	—	(5)	—	(5)
	(94)	**102**	**(11)**	**(3)**	(184)	204	(23)	(3)
Included in other comprehensive income								
Remeasurements loss	**171**	**(175)**	**(4)**	**(8)** [2]	40	(117)	59	(18) [2]
Translation adjustment on non-Euro schemes	**26**	**(26)**	**—**	**—**	(36)	38	—	2
	197	**(201)**	**(4)**	**(8)**	4	(79)	59	(16)
Other								
Contributions by employer	**—**	**2**	**—**	**2**	—	24	—	24
Benefits paid	**126**	**(126)**	**—**	**—**	253	(253)	—	—
	126	**(124)**	**—**	**2**	253	(229)	—	24
At end of period	**(4,721)**	**5,363**	**(629)**	**13**	(4,950)	5,586	(614)	22

1. In recognising the net surplus or deficit on a pension scheme, the funded status of each scheme is adjusted to reflect any minimum funding requirement and any ceiling on the amount that the sponsor has a right to recover from a scheme.
2. After tax € 6 million (31 December 2024: € 13 million), see note 8.

Notes to the Condensed Consolidated Interim Financial Statements *continued*

17 Retirement benefits *continued*

(ii) Movement in defined benefit obligation and scheme assets *continued*

	Ireland[1]	UK[2]	Other	30 June 2025	Ireland[1]	UK[2]	Other	31 December 2024
	€ m	€ m	€ m	€ m	€ m	€ m	€ m	€ m
Recognised on the statement of financial position as:								
Retirement benefit assets	**—**	**10**	**11**	**21**	—	20	11	31
Retirement benefit liabilities	**—**	**—**	**(8)**	**(8)**	—	—	(9)	(9)
Net pension surplus	**—**	**10**	**3**	**13**	—	20	2	22

1. Includes the Irish and EBS schemes.
2. The Annual Financial Report 2024 disclosed that the UK Court of Appeal had upheld a ruling in Virgin Media v NTL Pension Trustees II Limited, concerning the validity of certain defined benefit scheme rule amendments made between 1997 and 2016. In June 2025, the UK Government confirmed its intention to introduce legislation to address the legal uncertainty arising from these rulings. The legislation is expected to permit retrospective actuarial certification of affected amendments; however, the effective date has not yet been confirmed. The Group is reviewing the relevant scheme documentation and consulting with legal and actuarial advisers in preparation for compliance once the legislation is enacted. As the financial impact, if any, cannot be reliably estimated at this time, no adjustment has been made in these financial statements.

18 Deposits by central banks and banks

	30 June 2025	31 December 2024
	€ m	€ m
Central Bank Borrowings – secured	**17**	6
Other Bank Borrowings – unsecured	**980**	830
Total deposits by central banks and banks	**997**	836
of which comprises cash collateral received from derivative and repurchase agreement counterparties	***963***	*803*

Financial assets pledged for secured borrowings

Financial assets pledged for secured borrowings and providing access to future funding facilities with central banks and banks are detailed in the following table:

			30 June 2025			31 December 2024
	Central banks	Banks	Total	Central banks	Banks	Total
	€ m	€ m	€ m	€ m	€ m	€ m
Total carrying value of financial assets pledged	**467**	**—**	**467**	87	—	87
Of which:						
Government securities	**14**	**—**	**14**	9	—	9
Other securities[1]	**453**	**—**	**453**	78	—	78

1. Securities pledged as collateral include third party securities held by the Group and covered bonds secured on pools of residential mortgages that have been issued by and are held by the Group.

19 Customer accounts

	30 June 2025	31 December 2024
	€ m	€ m
Current accounts	**62,718**	62,657
Demand deposits	**31,670**	31,126
Time deposits	**18,130**	16,100
	112,518	109,883
Of which:		
Non-interest bearing current accounts	**58,757**	58,454
Interest bearing deposits, current accounts and short-term borrowings	**53,761**	51,429
Total customer accounts	**112,518**	109,883
of which comprises amounts due to equity accounted investments	***236***	*320*
of which comprises cash collateral received from derivative counterparties	***103***	*67*

At 30 June 2025, the Group's five largest customer deposits amounted to 1% (31 December 2024: 1%) of total customer accounts.

20 Debt securities in issue

	30 June 2025 € m	31 December 2024 € m
Issued by AIB Group plc		
Euro Medium Term Note Programme	**5,735**	5,245
Global Medium Term Note Programme	**2,612**	2,628
	8,347	7,873
Issued by subsidiaries		
Credit linked notes	**81**	95
Bonds and other medium term notes	**27**	27
Commercial paper	**931**	837
	1,039	959
Total debt securities in issue	**9,386**	8,832

Analysis of movements in debt securities in issue	30 June 2025 € m	31 December 2024 € m
At 1 January	**8,832**	8,423
Issued during the period	**4,650**	4,011
Repurchased	**(764)**	—
Matured	**(3,024)**	(3,886)
Amortisation	**29**	22
Other[1]	**(337)**	262
At end of period	**9,386**	8,832

1. Includes a positive fair value hedge adjustment of € 80 million (31 December 2024: positive € 70 million) and negative foreign exchange movements of € 417 million (31 December 2024: positive € 192 million).

Issuances during the period

During 2025, AIB Group plc issued the following senior unsecured notes in relation to the Euro and Global Medium Term Note Programmes:

Issue date	Nominal amount	Interest rate	Maturity date	Interest payment
20 March 2025	€ 500 million	3.75% Fixed Rate	20 March 2033	Annually in arrears
26 March 2025	€ 300 million	4% Fixed Rate	26 March 2036	Annually in arrears
15 May 2025	$ 750 million	5.32% Fixed Rate	15 May 2031	Semi-annually in arrears

The issuances by AIB Group plc are initially eligible to meet the Group's MREL requirements. These instruments are redeemable for tax or for regulatory reasons, subject to the permission of the relevant regulation authority.

The issuances by subsidiaries in 2025 relate to the Group's short-term commercial paper programme. For further details on debt securities issued by subsidiaries, see note 30 of the Annual Financial Report 2024.

Repurchases during the period

During 2025, AIB Group plc repurchased the following senior unsecured notes in relation to the Euro and Global Medium Term Note Programmes:

Repurchase date	Nominal amount	Interest rate	Maturity date	Repurchased nominal	Outstanding nominal
21 March 2025	€ 750 million	3.625% Fixed Rate	4 July 2026	€ 343 million	€ 407 million
19 May 2025	$ 750 million	7.583% Fixed Rate	14 October 2026	$ 469 million	$ 281 million

21 Subordinated liabilities and other capital instruments

	30 June 2025 € m	31 December 2024 € m
Dated loan capital – European Medium Term Note Programme:		
Issued by AIB Group plc		
€ 1 billion Subordinated Tier 2 Notes due 2031, Callable 2026	**978**	963
€ 650 million Subordinated Tier 2 Notes due 2035, Callable 2030	**663**	662
	1,641	1,625
Issued by subsidiaries		
€ 500m Callable Step-up Floating Rate Notes due October 2017		
– nominal value € 0.2 million (maturity extended to 2035 as a result of the Subordinated Liabilities Order)	**—**	—
£ 368m 12.5% Subordinated Notes due June 2019		
– nominal value £ 1.715 million (maturity extended to 2035 as a result of the Subordinated Liabilities Order)	**1**	2
£ 500m Callable Fixed/Floating Rate Notes due March 2025		
– nominal value £ 0.136 million (maturity extended to 2035 as a result of the Subordinated Liabilities Order)	**—**	—
	1	2
Total subordinated liabilities and other capital instruments	**1,642**	1,627

Maturity of dated loan capital	30 June 2025 € m	31 December 2024 € m
Dated loan capital outstanding is repayable as follows:		
5 years or more	**1,642**	1,627

For further details of subordinated liabilities and other capital instruments, see note 33 of the Annual Financial Report 2024.

22 Provisions for liabilities and commitments

	Legal claims € m	Customer redress € m	Other provisions € m	30 June 2025 Total € m
At 1 January 2025	**23**	**94**	**29**	**146**
Charged to income statement	**3**	**1**	**—**	**4** [1]
Released to income statement	**(2)**	**(1)**	**—**	**(3)** [1]
Provisions utilised	**(1)**	**(36)**	**(1)**	**(38)**
Exchange translation adjustments	**—**	**—**	**—**	**—**
At 30 June 2025	**23**	**58**	**28**	**109** [2]
ECLs on loan commitments and financial guarantee contracts				
At 1 January 2025				**57**
Net writeback to the income statement				**(6)** [3]
Disposals				**—**
Exchange translation adjustments				**—**
At 30 June 2025				**51**
Total provisions for liabilities and loan commitments				**160**

	Legal claims € m	Customer redress € m	Other provisions € m	31 December 2024 Total € m
At 1 January 2024	23	82	33	138
Charged to income statement	3	68	7	78
Released to income statement	(1)	(16)	(5)	(22)
Provisions utilised	(2)	(40)	(6)	(48)
Exchange translation adjustments	—	—	—	—
At 31 December 2024	23	94	29	146 [2]
ECLs on loan commitments and financial guarantee contracts				
At 1 January 2024				59
Net writeback to the income statement				(3)
Disposals				—
Exchange translation adjustments				1
At 31 December 2024				57
Total provisions for liabilities and loan commitments				203

1. Included in note 6.
2. Amounts expected to be settled within one year are € 63 million (31 December 2024: € 99 million). Amounts expected to be settled outside of one year amount to € 46 million (31 December 2024: € 47 million).
3. Included in note 7.

For further details on the nature of these provisions, see note 34 of the Annual Financial Report 2024.

Notes to the Condensed Consolidated Interim Financial Statements *continued*

23 Share capital

The following table shows the authorised and fully paid issued share capital:

	30 June 2025 Number of shares m	30 June 2025 € m	31 December 2024 Number of shares m	31 December 2024 € m
Authorised				
Ordinary share capital				
Ordinary shares of € 0.625 each	**4,000.0**	**2,500**	4,000.0	2,500
Issued and fully paid				
Ordinary share capital				
Ordinary shares of € 0.625 each	**2,136.7**	**1,335**	2,328.4	1,455

All AIB Group plc ordinary shares in issue confer identical rights, including in respect of capital, dividends and voting.

Movement in ordinary shares

The following table shows the movement in the number of ordinary shares:

	30 June 2025 Number of shares m	31 December 2024 Number of shares m
At 1 January	**2,328.4**	2,618.7
Repurchase and cancellation of shares[1]	**(191.7)**	(290.3)
At end of period	**2,136.7**	2,328.4

1. In May 2025, AIB Group plc completed a directed share buyback from the Minister for Finance. This buyback resulted in the repurchase of 191,671,857 ordinary shares with a nominal value of € 0.625 each for a total consideration of € 1,200 million. Following repurchase, these shares were cancelled and € 120 million, which represents the nominal value of the acquired shares, was transferred from share capital to capital redemption reserves.

For further details on the structure of the Company's share capital, see note 35 of the Annual Financial Report 2024.

Warrants

In 2017, warrants were issued to the Minister for Finance to subscribe for 271,166,685 ordinary shares of AIB Group plc representing 9.99% of the issued share capital at the time (30 June 2025: 12.69%). In accordance with the terms of the Warrant Agreement, no cash consideration was payable by the Minister to the Group in respect of the issuance of the warrants. The exercise price for the warrants was originally set at 200% of the Offer Price of € 4.40 per ordinary share, the Offer Price being the price in Euro per ordinary share which was payable by investors under the terms of the initial public offering. In accordance with the terms of the warrants, the exercise price has been adjusted following the various share buybacks undertaken by AIB Group plc and is € 6.752 per share at 30 June 2025.

Earnings per share

The calculation of basic earnings per unit of ordinary shares is based on the profit attributable to ordinary shareholders divided by the weighted average number of ordinary shares in issue, excluding own shares held. The ordinary shares are included in the weighted average number of shares on a time apportioned basis. The diluted earnings per share is based on the profit attributable to ordinary shareholders divided by the weighted average number of ordinary shares in issue, excluding own shares held, adjusted for the effect of dilutive potential ordinary shares.

There was no difference in the weighted average number of shares used for basic and diluted earnings per share for 30 June 2025 and 2024. Warrants issued to the Minister of Finance were not included in calculating the diluted earnings per share as they were antidilutive.

The following table shows the profit attributable to ordinary shareholders of the parent:

Profit attributable to ordinary shareholders of the parent	30 June 2025 € m	30 June 2024 € m
Profit attributable to equity holders of the parent	**928**	1,110
Distributions on other equity interests	**(42)**	(34)
Profit attributable to ordinary shareholders of the parent	**886**	1,076

The following table shows the basic and diluted earnings per share:

	30 June 2025 Profit € m	30 June 2025 Number of shares[1] m	30 June 2025 Earnings per share € cent	30 June 2024 Profit € m	30 June 2024 Number of shares[1] m	30 June 2024 Earnings per share € cent
Basic and diluted	**886**	**2,271**	**39.0**	1,076	2,560	42.0

1. Weighted average number of ordinary shares in issue during the year.

24 Other equity interests

	30 June 2025 € m	31 December 2024 € m
Issued by AIB Group plc		
€ 625 million Additional Tier 1 Perpetual Contingent Temporary Write-Down Securities issued 2020[1]	**—**	619
€ 625 million Additional Tier 1 Perpetual Contingent Temporary Write-Down Securities issued 2024[2]	**620**	620
€ 700 million Additional Tier 1 Perpetual Contingent Temporary Write-Down Securities issued 2025[2]	**694**	—
Total other equity interests	**1,314**	1,239

1. Included in the Group's capital base in 2024, subsequently redeemed in 2025.
2. Included in the Group's capital base.

Issuances during the period

During 2025, AIB Group plc issued the following Additional Tier 1 Perpetual Contingent Temporary Write-Down Securities:

Issue date	Nominal amount	Interest rate	Redemption date	Interest payment
14 January 2025	€ 700 million	6% Fixed Rate[1]	Perpetual in nature with no fixed redemption date[2]	Semi-annually in arrears[1]

1. On the first reset date on 14 January 2032, in the event that the securities are not redeemed, interest will be reset to the relevant five year fixed rate plus a margin of 370.5 bps per annum. The interest payment is fully discretionary and non-cumulative, and conditional upon AIB Group plc being solvent at the time of payment, having sufficient distributable reserves and not being required by the regulatory authorities to cancel an interest payment.
2. AIB Group plc may, at its sole and full discretion, subject to regulatory approval, redeem all (but not some only) of the securities on any day falling in the period commencing on (and including) 14 July 2031 and ending on (and including) the first reset date or on any interest payment date thereafter at the prevailing principal amount together with accrued but unpaid interest. In addition, the securities are redeemable at the option of AIB Group plc for certain regulatory or tax reasons, subject to regulatory approval.

Redemptions during the period

During 2025, AIB Group plc exercised a call option to redeem the following Additional Tier 1 Perpetual Contingent Temporary Write-Down Securities:

Redemption date	Nominal amount	Interest rate	Redeemed nominal	Outstanding nominal
23 June 2025	€ 625 million	6.250% Fixed Rate	€ 625 million	Nil

Distributions during the period

Distributions amounting to € 42 million (30 June 2024: € 34 million) were paid during the period on the Additional Tier 1 Securities issued by AIB Group plc.

For further details on these securities, see note 36 of the Annual Financial Report 2024.

Notes to the Condensed Consolidated Interim Financial Statements *continued*

25 Contingent liabilities and commitments

The following table gives the nominal or contract amounts of contingent liabilities and commitments:

	Contract amount	
	30 June 2025 € m	31 December 2024 € m
Contingent liabilities[1] – credit related		
Guarantees and assets pledged as collateral security:		
Guarantees and irrevocable letters of credit	**921**	952
Other contingent liabilities	**25**	24
	946	976
Commitments[2]		
Documentary credits and short-term trade-related transactions	**288**	276
Undrawn formal standby facilities, credit lines and other commitments to lend:		
Less than 1 year	**10,426**	10,443
1 year and over	**6,317**	6,104
	17,031	16,823
Total contingent liabilities and commitments	**17,977**	17,799

1. Contingent liabilities are off-balance sheet products and include guarantees, irrevocable letters of credit and other contingent liability products.
2. A commitment is an off-balance sheet product where there is an agreement to provide an undrawn credit facility.

For details of the geographic concentration of contingent liabilities and commitments and internal credit ratings, see pages 40 and 48 in the Risk Management section of this report.

Provisions for ECLs on loan commitments and financial guarantee contracts are set out in note 22.

Legal proceedings

The Group, in the course of its business, is frequently involved in litigation cases. However, it is not, nor has been involved in, nor are there, so far as the Group is aware, pending or threatened by or against the Group any legal or arbitration proceedings, including governmental proceedings, which may have, or have had during the previous 12 months, a material effect on the financial position, profitability or cash flows of the Group.

26 Fair value of financial instruments

The table below sets out the carrying amount and fair value of financial instruments across the three levels of the fair value hierarchy at 30 June 2025 and 31 December 2024:

					30 June 2025					31 December 2024
	Carrying amount	Fair value				Carrying amount	Fair value			
		Fair value hierarchy					Fair value hierarchy			
		Level 1	Level 2	Level 3	Total		Level 1	Level 2	Level 3	Total
	€ m	€ m	€ m	€ m	€ m	€ m	€ m	€ m	€ m	€ m
Financial assets measured at fair value										
Trading portfolio financial assets	320	320	—	—	320	136	136	—	—	136
Derivative financial instruments:										
Interest rate derivatives	2,005	—	1,979	26	2,005	2,109	—	2,020	89	2,109
Exchange rate derivatives	116	—	116	—	116	35	—	35	—	35
Equity derivatives	1	—	1	—	1	—	—	—	—	—
Loans and advances to customers at FVTPL	74	—	—	74	74	64	—	—	64	64
Investment debt securities at FVOCI	15,794	15,696	98	—	15,794	13,568	13,468	100	—	13,568
Equity investments at FVTPL	285	1	—	284	285	297	1	—	296	297
	18,595	16,017	2,194	384	18,595	16,209	13,605	2,155	449	16,209
Financial assets not measured at fair value										
Cash and balances at central banks	37,262	446 [1]	36,816	—	37,262	37,315	664 [1]	36,651	—	37,315
Loans and advances to banks	1,418	—	234	1,184	1,418	1,321	—	241	1,080	1,321
Loans and advances to customers:										
Mortgages[2]	36,992	—	—	36,051	36,051	36,722	—	—	35,832	35,832
Non-mortgages	33,191	—	—	33,184	33,184	33,103	—	—	33,043	33,043
Securities financing	7,112	—	—	7,112	7,112	6,643	—	—	6,643	6,643
Investment debt securities measured at amortised cost	4,773	2,633	—	2,132	4,765	4,803	2,633	—	2,168	4,801
Other financial assets	825	—	—	825	825	894	—	—	894	894
	121,573	3,079	37,050	80,488	120,617	120,801	3,297	36,892	79,660	119,849
Financial liabilities measured at fair value										
Trading portfolio financial liabilities	143	143	—	—	143	262	262	—	—	262
Derivative financial instruments:										
Interest rate derivatives	1,365	—	1,341	24	1,365	1,689	—	1,391	298	1,689
Exchange rate derivatives	46	—	46	—	46	112	—	112	—	112
Credit derivatives	3	—	3	—	3	3	—	3	—	3
Virtual corporate power purchase agreement	1	—	—	1	1	3	—	—	3	3
	1,558	143	1,390	25	1,558	2,069	262	1,506	301	2,069
Financial liabilities not measured at fair value										
Deposits by central banks and banks	997	—	17	980	997	836	—	6	830	836
Customer accounts:										
Current accounts	62,718	—	—	62,718	62,718	62,657	—	—	62,657	62,657
Demand deposits	31,670	—	—	31,670	31,670	31,126	—	—	31,126	31,126
Time deposits	18,130	—	—	18,195	18,195	16,100	—	—	16,150	16,150
Securities financing	1,020	—	—	1,020	1,020	196	—	—	196	196
Debt securities in issue	9,386	8,523	—	1,035	9,558	8,832	8,074	—	957	9,031
Subordinated liabilities and other capital instruments	1,642	1,670	—	—	1,670	1,627	1,662	—	—	1,662
Other financial liabilities[3]	2,316	—	—	2,316	2,316	1,792	—	—	1,792	1,792
Loan commitments and other credit related commitments	40	—	—	40	40	44	—	—	44	44
Financial guarantees	11	—	—	11	11	13	—	—	13	13
	127,930	10,193	17	117,985	128,195	123,223	9,736	6	113,765	123,507

1. Comprises cash on hand.
2. Includes residential and commercial mortgages.
3. Includes € 102 million (31 December 2024: € 64 million) of fair value changes of hedged items in portfolio hedges of interest rate risk.

Notes to the Condensed Consolidated Interim Financial Statements *continued*

26 Fair value of financial instruments *continued*

Details of the methodologies used for calculating fair value and the definition of terms are set out in note 43 of the Annual Financial Report 2024.

Significant transfers between Level 1 and Level 2 of the fair value hierarchy

There were no significant transfers between Level 1 and Level 2 of the fair value hierarchy.

Reconciliation of balances in Level 3 of the fair value hierarchy

The following table shows (i) a reconciliation from the opening balances to the closing balances for fair value measurements in Level 3 of the fair value hierarchy and (ii) total unrealised gains or losses included in profit or loss that are attributable to the assets and liabilities categorised as Level 3 in the fair value hierarchy at the end of the period.

						30 June 2025
	Financial assets				Financial liabilities	
	Derivatives € m	Loans and advances at FVTPL € m	Equities at FVTPL € m	Total € m	Derivatives € m	Total € m
Movement in Level 3 assets and liabilities						
At 1 January 2025	89	64	296	449	301	301
Transfers into/out of Level 3[1, 2]	(27)	—	—	(27)	(244)	(244)
Total gains or (losses) in:						
Profit or loss:						
Net trading income – losses	(36)	—	—	(36)	(32)	(32)
Net change in FVTPL	—	5	9	14	—	—
	(36)	5	9	(22)	(32)	(32)
Other comprehensive income:						
Net change in fair value of investment securities	—	—	—	—	—	—
Net change in fair value of cash flow hedges	—	—	—	—	—	—
Purchases/additions	—	11	17	28	—	—
Sales/disposals/redemptions	—	—	(38)	(38)	—	—
Cash received: Principal	—	(6)	—	(6)	—	—
At 30 June 2025	26	74	284	384	25	25
Total unrealised gains or (losses) included in profit or loss for assets and liabilities classified as Level 3 at the end of the period						
Net trading income – (losses)/income	(4)	—	—	(4)	2	2
Gains on equity investments at FVTPL	—	—	2	2	—	—
Losses on loans and advances at FVTPL	—	(1)	—	(1)	—	—
	(4)	(1)	2	(3)	2	2

1. Transfers between levels of the fair value hierarchy are recognised at the end of the reporting period during which the change occurred.
2. During the period, € 27 million derivative assets and € 244 million derivative liabilities were reclassified to Level 2 following a reassessment of the threshold for determining whether an unobservable input is significant to the classification of a fair value measurement within the hierarchy.

26 Fair value of financial instruments *continued*

Reconciliation of balances in Level 3 of the fair value hierarchy

						31 December 2024
	Financial assets				Financial liabilities	
	Derivatives	Loans and advances at FVTPL	Equities at FVTPL	Total	Derivatives	Total
	€ m	€ m	€ m	€ m	€ m	€ m
Movement in Level 3 assets and liabilities						
At 1 January 2024	129	42	340	511	307	307
Transfers into/out of Level 3[1]	—	—	—	—	—	—
Total gains or (losses) in:						
Profit or loss:						
Net trading income – losses	(40)	—	—	(40)	(6)	(6)
Net change in FVTPL	—	11	76	87	—	—
	(40)	11	76	47	(6)	(6)
Other comprehensive income:						
Net change in fair value of investment securities	—	—	—	—	—	—
Net change in fair value of cash flow hedges	—	—	—	—	—	—
Purchases/additions	—	26	46	72	—	—
Sales/disposals/redemptions	—	—	(166)	(166)	—	—
Cash received: Principal	—	(15)	—	(15)	—	—
At 31 December 2024	89	64	296	449	301	301
Total unrealised gains or (losses) included in profit or loss for assets and liabilities classified as Level 3 at the end of the year						
Net trading income – losses	(15)	—	—	(15)	(35)	(35)
Gains on equity investments at FVTPL	—	—	35	35	—	—
Losses on loans and advances at FVTPL	—	(3)	—	(3)	—	—
	(15)	(3)	35	17	(35)	(35)

1. Transfers between levels of the fair value hierarchy are recognised at the end of the reporting period during which the change occurred.

Notes to the Condensed Consolidated Interim Financial Statements *continued*

26 Fair value of financial instruments *continued*

Significant unobservable inputs

The table below sets out information about significant unobservable inputs used in measuring financial instruments categorised as Level 3 in the fair value hierarchy:

		Fair value				Range of estimates	
Financial instrument		**30 June 2025**	31 December 2024	**Valuation technique**	**Significant unobservable input**	**30 June 2025**	31 December 2024
		€ m	€ m				
Uncollateralised customer derivatives	Asset	**26**	89	CVA	LGD	**37% – 54%**	38% – 56%
	Liability	**24**	298			**(Base 44%)**	(Base 46%)
					PD	**0.3% – 2.3%**	0.4% – 1.8%
						(Base 0.8% 1-year PD)	(Base 0.8% 1-year PD)
				FVA	Funding spreads	**(0.1%) – 0.2%**	(0.2%) – 0.3%
Virtual corporate power purchase agreement	Liability	**1**	3	Discounted Expected Future Cash Flows	Irish electricity prices	**(20%) – 10%**	(10%) – 20%
Visa Inc. Series B Preferred Stock[1]	Asset	**18**	16	Quoted market price (to which a discount has been applied)	Final conversion rate	**0% – 90%**	0% – 90%

1. Sensitivity information has not been provided for other equities as the portfolio comprises several investments, none of which is individually material.

Uncollateralised customer derivatives

Derivatives (assets and liabilities) include negative XVA valuation adjustments amounting to net € 3 million (31 December 2024: € 8 million). The sensitivity to unobservable inputs for this XVA valuation adjustment at 30 June 2025 ranges from (i) negative € 4 million to positive € 1 million for CVA (31 December 2024: negative € 5 million to positive € 3 million) and (ii) negative € 1 million to Nil for FVA (31 December 2024: negative € 1 million to positive € 1 million).

A number of derivatives are subject to other valuation methodologies which use unobservable inputs. As the variability of the valuation is not greater than € 1 million in any individual case or collectively, the detail is not disclosed here.

Virtual corporate power purchase agreement

The Group has entered into a virtual corporate power purchase agreement (VPPA) associated with the sourcing of solar powered electricity for the Group from two farms in Co. Wexford. The VPPA hedges the volatility in electricity prices guaranteeing a forward electricity price which is subject to inflation changes only. This VPPA meets the definition of a derivative and had a negative fair value of € 1 million at 30 June 2025 (31 December 2024: negative € 3 million). Its valuation is subject to valuation methodologies which use unobservable inputs. The most significant unobservable input is forward Irish electricity solar capture prices. The fair value sensitivity to this input ranges from negative € 4 million to positive € 2 million (31 December 2024: negative € 4 million to positive € 2 million).

Visa Inc. Series B Preferred Stock

In June 2016, the Group received Series B Preferred Stock in Visa Inc. with a fair value of € 65 million as part consideration for its holding of shares in Visa Europe. The preferred stock will be convertible into Class A Common Stock of Visa Inc. over time, with partial conversions having occurred in 2020, 2022 and 2024. The remaining conversion is subject to certain Visa Europe litigation risks that may affect the ultimate conversion rate. In addition, the stock, being denominated in US Dollars, is subject to foreign exchange risk.

- Valuation technique: Quoted market price of Visa Inc. Class A Common Stock to which a discount has been applied for the illiquidity and the conversion rate variability of the preferred stock of Visa Inc. 55% haircut (31 December 2024: 62%). This was converted at the period-end exchange rate.
- Unobservable input: Final conversion rate of Visa Inc. Series B Preferred Stock into Visa Inc. Class A Common Stock.
- Range of estimates: Estimates range from (a) no discount for conversion rate variability with a discount for illiquidity only; to (b) 90% discount for conversion rate variability.

The fair value measurement sensitivity to unobservable discount rates ranges from negative € 18 million to positive € 18 million at 30 June 2025 (31 December 2024: negative € 16 million to positive € 21 million).

Loans and advances to customers measured at FVTPL

For loans and advances to customers measured at FVTPL of € 74 million (31 December 2024: € 64 million), categorised within Level 3 of the fair value hierarchy in 2025 and 2024, the Group does not believe that a reasonably possible change to alternative assumptions would change fair value significantly and therefore has not disclosed those amounts in the table above or provided the related disclosures.

Fair value is applied in respect of secondary facilities arising on restructured loans subject to forbearance measures, on the likelihood that additional cash flows, in excess of their primary facilitates, will be received from customers. Given the significant uncertainty with regard to such cash flows, the Group does not attribute a fair value unless it is reasonably certain that this value will be realised.

Day 1 gain or loss

No difference existed between the fair value at initial recognition of financial instruments and the amount that was determined at that date using a valuation technique incorporating significant unobservable data.

27 Cash and balances at central banks

Cash and balances at central banks (net of ECL allowance of Nil) comprises:

	30 June 2025 € m	31 December 2024 € m
Central Bank of Ireland	**31,784**	31,526
Bank of England	**4,737**	4,931
Federal Reserve Bank of New York	**295**	194
Other (cash on hand)	**446**	664
Total cash and balances at central banks	**37,262**	37,315

For the purposes of the statement of cash flows, cash and cash equivalents comprises the following balances with less than three months maturity from the date of acquisition:

	30 June 2025 € m	30 June 2024 € m
Cash and balances at central banks	**37,262**	35,988
Loans and advances to banks[1]	**1,117**	1,014
Total cash and cash equivalents	**38,379**	37,002
of which comprises restricted cash balances	***205***	*120*
of which comprises cash held in trust in respect of certain payables	***4***	*6*

1. Included in loans and advances to banks total of € 1,418 million (30 June 2024: € 1,298 million) set out in note 10.

There are certain regulatory restrictions on the ability of subsidiaries to transfer funds to the Company in the form of cash dividends, loans or advances. The impact of such restrictions is not expected to have a material effect on the Group's ability to meet its cash obligations.

Notes to the Condensed Consolidated Interim Financial Statements *continued*

28 Statement of cash flows

Non-cash items	Half-year 30 June 2025 € m	Half-year 30 June 2024 € m
Loss on disposal of business	—	2
Net loss/(gain) on derecognition of financial assets measured at amortised cost	3	(1)
Income from equity accounted investments	(13)	(16)
Net remeasurement of ECL allowance	101	75
Change in provisions	1	48
Retirement benefits – defined benefit expense	3	2
Depreciation, amortisation and impairment	144	149
Interest on subordinated liabilities and other capital instruments	29	23
Interest on debt securities[1]	179	176
Interest on other debt securities	35	—
Loss on disposal of investment securities	34	34
Gain on termination of hedging swaps	(34)	(23)
Amortisation of premiums and discounts	6	12
Net gain on equity investments at FVTPL	(9)	(23)
Net loss on loans and advances to customers at FVTPL	5	1
Change in prepayments and accrued income	(17)	(5)
Change in accruals and deferred income	79	73
Effect of exchange translation and other adjustments[2]	35	(36)
Total non-cash items	**581**	490
Contributions to defined benefit pension schemes	(2)	(13)
Total other items	**(2)**	(12)
Non-cash and other items included in profit before taxation for the period	**579**	478

Change in operating assets[2]	Half-year 30 June 2025 € m	Half-year 30 June 2024 € m
Change in trading portfolio financial assets	(184)	(215)
Change in net derivative financial instruments	(8)	41
Change in loans and advances to banks	(1)	31
Change in loans and advances to customers	(1,007)	(1,614)
Change in securities financing	(546)	(198)
Change in other assets	(13)	(91)
Total change in operating assets	**(1,759)**	(2,046)

Change in operating liabilities[2]	Half-year 30 June 2025 € m	Half-year 30 June 2024 € m
Change in deposits by central banks and banks	161	(1,277)
Change in customer accounts	3,120	1,901
Change in securities financing	831	(231)
Change in trading portfolio financial liabilities	(119)	140
Change in debt securities in issue	87	475
Change in notes in circulation	(2)	—
Change in other liabilities	320	214
Total change in operating liabilities	**4,398**	1,222

1. Relates to debt securities classified at origination as MREL.
2. The impact of foreign exchange translation for each line of the statement of financial position is removed in order to show the underlying cash impact.

29 Related party transactions

Other than as outlined below, there have been no related party transactions or changes therein since 31 December 2024 (as set out in note 46 of the Annual Financial Report 2024) that have materially affected the Group's financial position or performance in the six months to 30 June 2025.

Relationship with the Irish Government

At 30 June 2025, the Irish Government was disclosed as a related party under IAS 24 *Related Party Disclosures* (IAS 24) as it was in a position to exercise significant influence over the Group as the undertakings, covenants and commitments under certain agreements with the Irish Government, including the Relationship Framework, remained in place.

Government shareholding

At 30 June 2025, the Irish Government's shareholding had reduced to nil following a directed share buyback, the sell down of shares and disposals as part of a pre-arranged trading plan. At 31 December 2024, the Irish Government held 18.99% of the total ordinary shares in AIB Group plc (442,373,123 ordinary shares).

Irish bank levy

The bank levy was calculated based on each financial institution's deposits at December 2022 which were either covered under the Deposit Guarantee Scheme or were not so covered but had preferential status under Article 108 of the BRRD. The annual levy payable by the Group for 2025 and reflected in operating expenses (note 6) in the income statement amounted to € 94 million (31 December 2024: € 94 million).

Other transactions with the Irish Government and entities under its control

During the period, the Group entered into other transactions in the ordinary course of business on normal terms and conditions with the Irish Government, its agencies and entities under its control. This includes transactions with (i) Irish Government and related entities (ii) local government and commercial semi-state bodies and (iii) financial institutions under Irish Government control/significant influence. Other transactions include the payment of taxes, pay-related social insurance, local authority rates, and the payment of regulatory fees, as appropriate.

(i) Irish Government and related entities

Related entities included departments of the Irish Government located in the State and embassies, consulates and other institutions of the Irish Government located outside the State as well as the Post Office Savings Bank (POSB) and the National Treasury Management Agency (NTMA). The following table outlines the amounts outstanding at 30 June 2025 and 31 December 2024 with the Irish Government and related entities which are considered individually significant (excluding accrued interest):

	30 June 2025 € m	31 December 2024 € m
Assets		
Cash and balances at central banks	**31,784**	31,525
Trading portfolio financial assets	**276**	71
Investment securities	**4,039**	4,088
Liabilities		
Trading portfolio financial liabilities	**132**	257
Customer accounts	**592**	402
Deposits by banks	**5**	—

(ii) Local government[1] and Commercial semi-state bodies[2]

During the period, the Group entered into banking transactions with local government bodies and semi-state bodies. These transactions include the granting of loans and the acceptance of deposits, as well as derivative and clearing transactions.

1. This category includes county councils, city councils, non-commercial public sector entities, public voluntary hospitals and schools.
2. Semi-state bodies is the name given to organisations within the public sector operating with some autonomy. They include commercial organisations or companies in which the State is the sole or main shareholder.

(iii) Financial institutions under Irish Government control

The Irish Government has a controlling interest in Permanent TSB plc and controls the Irish Bank Resolution Corporation Limited (In Special Liquidation). Transactions with these institutions included the short-term placing and acceptance of deposits, derivative transactions, investment debt securities and repurchase agreements. The following balances were outstanding in total to these financial institutions at 30 June 2025 and 31 December 2024:

	30 June 2025 € m	31 December 2024 € m
Assets		
Trading portfolio financial assets	**—**	5

Notes to the Condensed Consolidated Interim Financial Statements *continued*

30 Financial and other information

	Half-year 30 June 2025 %	Half-year 30 June 2024 %
Operating ratios		
Operating expenses/operating income	**48.9**	46.0
Other income/operating income	**16.0**	16.3

Rates of exchange	Half-year 30 June 2025	Half-year 30 June 2024	31 December 2024
€/$*			
Closing	**1.1720**	1.0705	1.0389
Average	**1.0934**	1.0811	1.0823
€/£*			
Closing	**0.8555**	0.8464	0.8292
Average	**0.8424**	0.8546	0.8466

*Throughout this report, US Dollar is denoted by $ and Pound Sterling is denoted by £.

31 Dividends

A final dividend for the year ended 31 December 2024 of 36.984 cent per ordinary share, amounting to € 861 million (for the year ended 31 December 2023: € 696 million), was approved at the Annual General Meeting on 1 May 2025 and subsequently paid on 9 May 2025. Final dividends are not accounted for until they have been approved at the Annual General Meeting of shareholders.

32 Non-adjusting events after the reporting period

The Irish Government is no longer a related party following the reduction of its shareholding to nil and the execution of a deed of release in July 2025, releasing the Group from the undertakings, covenants and commitments under certain agreements, including the Relationship Framework.

Subsequent to the reporting date, the Board has declared an interim dividend of 12.328 cent per ordinary share, equivalent to € 263 million. The interim dividend will be paid on 11 November 2025 to shareholders registered on the record date of 22 August 2025. As the dividend was declared after 30 June 2025, these Condensed Consolidated Interim Financial Statements do not include this dividend.

33 Approval of Half-Year Financial Report

The Half-Year Financial Report was approved by the Board of Directors on 31 July 2025.

Statement of Directors' Responsibilities

for the half-year ended 30 June 2025

The Directors are responsible for preparing the Group Half-Year Financial Report in accordance with IAS 34 Interim Financial Reporting (IAS 34) as issued by the IASB and adopted by the EU; the Transparency (Directive 2004/109/EC) Regulations 2007 and the Central Bank (Investment Market Conduct) Rules 2019.

The Directors are also responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. Legislation in Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Each of the Directors listed below confirm to the best of their knowledge and belief that the condensed set of financial statements have been prepared in accordance with IAS 34 and that they give a true and fair view of the assets, liabilities, financial position and profit of the Group and that as required by the Transparency (Directive 2004/109/EC) Regulations 2007, the Half-Year Financial Report includes:
- a fair review of the important events that have occurred during the first six months of the financial year, and their impact on the condensed financial statements;
- a description of the principal risks and uncertainties for the remaining six months of the financial year;
- a fair review of related parties' transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or the performance of the Group during the period; and any changes in the related parties' transactions described in the last annual report, that could have a material effect on the financial position or performance of the Group in the first six months of the current financial year.

For and on behalf of the Board

Jim Pettigrew
Chair

Colin Hunt
Chief Executive Officer

Donal Galvin
Chief Financial Officer

31 July 2025

Non-Executive Directors
Anik Chaumartin
Basil Geoghegan
Tanya Horgan
Sandy Kinney Pritchard
Andy Maguire
Brendan McDonagh (Deputy Chair)
Elaine McClean (Senior Independent Director)
Ann O'Brien
Fergal O'Dwyer
Jim Pettigrew (Chair)
Jan Sijbrand
Ranjit (Raj) Singh

Executive Directors
Colin Hunt (Chief Executive Officer)
Donal Galvin (Chief Financial Officer)

Independent Review Report to AIB Group plc

Report on the condensed consolidated interim financial statements

Our conclusion

We have reviewed AIB Group plc's condensed consolidated interim financial statements (the 'interim financial statements') in the Half-Year Financial Report of AIB Group plc for the six month period ended 30 June 2025 (the 'period').

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and the Transparency (Directive 2004/109/EC) Regulations 2007 and the Central Bank (Investment Market Conduct) Rules 2019.

The interim financial statements comprise:
- the Condensed Consolidated Statement of Financial Position as at 30 June 2025;
- the Condensed Consolidated Income Statement and Condensed Consolidated Statement of Comprehensive Income for the period then ended;
- the Condensed Consolidated Statement of Cash Flows for the period then ended;
- the Condensed Consolidated Statement of Changes in Equity for the period then ended; and
- the explanatory notes to the interim financial statements.

The interim financial statements included in the Half-Year Financial Report have been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and the Transparency (Directive 2004/109/EC) Regulations 2007 and the Central Bank (Investment Market Conduct) Rules 2019.

As disclosed in note 1 to the interim financial statements, the financial reporting framework that has been applied in the preparation of the full annual financial statements of the group is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Basis for conclusion

We conducted our review in accordance with International Standard on Review Engagements (Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' (ISRE (Ireland) 2410) issued for use in Ireland. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (Ireland) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We have read the other information contained in the Half-Year Financial Report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

Conclusions relating to going concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for conclusion section of this report, nothing has come to our attention to suggest that the directors have inappropriately adopted the going concern basis of accounting or that the directors have identified material uncertainties relating to going concern that are not appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with ISRE (Ireland) 2410. However future events or conditions may cause the group to cease to continue as a going concern.

Responsibilities for the interim financial statements and the review

Our responsibilities and those of the directors

The Half-Year Financial Report, including the interim financial statements, is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the Half-Year Financial Report in accordance with the Transparency (Directive 2004/109/EC) Regulations 2007 and the Central Bank (Investment Market Conduct) Rules 2019.

In preparing the Half-Year Financial Report including the interim financial statements, the directors are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

Our responsibility is to express a conclusion on the interim financial statements in the Half-Year Financial Report based on our review. Our conclusion, including our Conclusions relating to going concern, is based on procedures that are less extensive than audit procedures, as described in the Basis for conclusion paragraph of this report. This report, including the conclusion, has been prepared for and only for the company for the purpose of complying with the Transparency (Directive 2004/109/EC) Regulations 2007 and the Central Bank (Investment Market Conduct) Rules 2019 and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

PricewaterhouseCoopers
Chartered Accountants
Dublin

31 July 2025

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

For the life you're after

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