



COUNTRY BY COUNTRY REPORTING

AIB Group

For the year ended
31 December 2022

AIB Group Country by Country Reporting

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AIB Group

Country by Country Reporting

Basis of preparation

The disclosures contained in this report have been prepared in accordance with Country by Country Reporting requirements under the Capital Requirements Directive ("CRD IV") which have been transposed into Irish legislation as Regulation 77 of Statutory Instrument 158 of 2014 ("Regulation 77") as at 31 December 2022.

Regulation 77 requires each institution⁽¹⁾ to disclose annually, specifying, by Member State and by third country in which it has an establishment, the following information on a consolidated basis for the financial year.

For the purposes of this disclosure, Allied Irish Banks, p.l.c. and its subsidiaries are collectively referred to as 'AIB Group'.

(a) Name(s), nature of activities and geographical location

This information is provided based on the locations of operations of Allied Irish Banks, p.l.c. and its subsidiary companies.

(b) Turnover

Turnover is reported on a consolidated basis for each country and consists of net interest income and other income/loss (e.g. dividend income, net fee and commission income, net trading income, other financial income, other operating income and loss on disposal of loans and advances).

The geographical distribution of turnover is based primarily on the location of the office recording the transaction. In deriving turnover by country, intercompany turnover arising within a country is eliminated, but intercompany turnover between countries is reported.

(c) Number of employees on a full time equivalent basis

The number of employees on a full time equivalent ("FTE") basis is reported as an average number of employees, analysed by geography.

(d) Profit or loss before tax

Profit before tax is reported on a consolidated basis for each country.

(e) Tax on profit or loss

Tax on profit or loss, for the purposes of country by country reporting, is interpreted as the corporation tax paid/refunded in each geographical jurisdiction in the year.

(f) Public subsidies received

The definition of 'public subsidies' has been interpreted as direct support by the Government. It does not include central bank operations that are designed for financial stability purposes or operations that aim to facilitate the functioning of the monetary policy transmission. No public subsidies were received by the Group during the year ended 31 December 2022.

The following AIB credit institutions in the Republic of Ireland, authorised by the Central Bank of Ireland/Single Supervisory Mechanism at 31 December 2022, are required to comply with Regulation 77:

- Allied Irish Banks, p.l.c.
- AIB Mortgage Bank u.c.
- EBS d.a.c.

This report fulfils the obligation of these Irish credit institutions in relation to Regulation 77.

These Irish licensed entities are required to file regulatory returns with the Central Bank of Ireland for the purposes of assessing, inter alia, their capital adequacy and their balance sheets. For AIB Group (UK) p.l.c., regulatory returns are filed with the Prudential Regulatory Authority.

Country by Country disclosures are prepared under International Financial Reporting Standards as adopted by the European Union except in relation to the scope of consolidation which is prepared on a prudential basis. The principal difference between the consolidated statutory financial statements and the prudential basis relates to the Group's acquisition of the majority stake in Seneral Ltd, a holding company for Payzone Ireland, which is fully consolidated in the statutory financial statements but treated as an investment under the prudential consolidation in line with Article 4(1) of the Capital Requirements Regulation.

(1) Credit institutions and investment firms under Regulation 77.

AIB Group

Country by Country Reporting

Parent company

| Country | Parent company | Nature of activities |
|---------------------|----------------------------|--|
| Republic of Ireland | Allied Irish Banks, p.l.c. | A direct subsidiary of AIB Group plc ⁽¹⁾ and the principal operating company of AIB Group and holds the majority of the subsidiaries within the Group. Its activities include banking and financial services. |

Principal subsidiaries⁽²⁾

| Country | Principal subsidiary or branch | Nature of activities |
|---------------------|--------------------------------|---------------------------------------|
| Republic of Ireland | AIB Mortgage Bank u.c. | Issue of mortgage covered securities. |
| Republic of Ireland | EBS d.a.c. | Mortgages and savings. |
| United Kingdom | AIB Group (UK) p.l.c. | Banking and financial services. |
| Rest of the World | N/A | Banking and financial services. |

(1) On 8 December 2017, Allied Irish Banks, p.l.c. was acquired by AIB Group plc. AIB Group plc, the holding company, is quoted on the Euronext Dublin (formerly 'Irish Stock Exchange').

(2) In line with those set out in the financial statements of Allied Irish Banks, p.l.c. at 31 December 2022.

AIB Group

Country by Country Reporting

Turnover, Profit before taxation, Taxation and Employees

AIB Group⁽¹⁾

| Country | For the year ended 31 December 2022 | | | |
|----------------------------------|-------------------------------------|--|----------------------------------|--------------------------------|
| | Turnover € m | Profit before tax ⁽²⁾ € m | Taxation (refund)/paid € m | Average FTEs ⁽³⁾ |
| Republic of Ireland | 2,538 | 719 | 15 | 8,414 |
| United Kingdom | 356 | 168 | 4 | 672 |
| Rest of the World ⁽⁴⁾ | 5 | (5) | — | 32 |
| Total | 2,899 | 882 | 19 | 9,118 |

| Country | For the year ended 31 December 2021 | | | |
|----------------------------------|-------------------------------------|--|----------------------------------|--------------------------------|
| | Turnover € m | Profit before tax ⁽²⁾ € m | Taxation (refund)/paid € m | Average FTEs ⁽³⁾ |
| Republic of Ireland | 2,083 | 523 | (16) | 8,089 |
| United Kingdom | 280 | 109 | 3 | 922 |
| Rest of the World ⁽⁴⁾ | 7 | 5 | — | 44 |
| Total | 2,370 | 637 | (13) | 9,055 |

Subsidiaries, based in the Republic of Ireland, which are credit institutions

| | For the year ended 31 December 2022 | | | |
|---------------------------|-------------------------------------|-----------------------------|----------------------------------|-----------------------------|
| | Turnover € m | Profit before tax € m | Taxation (refund)/paid € m | Average FTEs ⁽³⁾ |
| AIB Mortgage Bank u.c. | 979 | 27 | 5 | — |
| EBS d.a.c. ⁽⁵⁾ | 260 | 123 | 2 | — |

| | For the year ended 31 December 2021 | | | |
|---------------------------|-------------------------------------|-----------------------------|----------------------------------|--------------------------------|
| | Turnover € m | Profit before tax € m | Taxation (refund)/paid € m | Average FTEs ⁽³⁾ |
| AIB Mortgage Bank u.c. | 398 | 23 | (4) | — |
| EBS d.a.c. ⁽⁵⁾ | 291 | 125 | 4 | — |

(1) Allied Irish Banks, p.l.c. and its subsidiaries on a group consolidated basis. Any differences with items reported in this table and those reported in Allied Irish Banks, p.l.c. Annual Financial Report 2022 are due to the scope of consolidation noted previously (i.e. country by country disclosures are prepared under the prudential basis).

(2) The amount of accrued current tax expense recorded on taxable profits in 2022 was € 31 million (€ 4 million ROI, € 27 million UK).

(3) In addition to the numbers presented, a small number of AIB Group employees maintain a parallel employment relationship with AIB Mortgage Bank and EBS d.a.c. in order to facilitate delivery of outsourced service activities under the Outsourcing and Agency Agreement with Allied Irish Banks, p.l.c.

(4) There are no principal subsidiaries operating in the Rest of the World. The turnover is derived from the operations of smaller branches and entities of Allied Irish Banks, p.l.c. primarily in North America. The turnover of € 5 million (31 December 2021: € 7 million) is not considered material in the context of the requirement to disclose country by country information.

(5) EBS d.a.c. and its subsidiaries on a group consolidated basis.

AIB Group

Country by Country Reporting

Independent Auditor's Report to the Directors of Allied Irish Banks, p.l.c., AIB Mortgage Bank u.c. and EBS d.a.c. in connection with the Country by Country Report for the financial year ended 31 December 2022.

Opinion

We have audited the accompanying consolidated financial information of Allied Irish Banks, p.l.c. (the "Company"), AIB Mortgage Bank u.c. and EBS d.a.c. (collectively the "Companies") for the financial year ended 31 December 2022 which comprises the Country by Country Reporting Schedules and the Basis of Preparation (the "Country by Country Report") as at 31 December 2022. The Country-by-Country Report has been prepared by the Directors in accordance with Regulation 77 of the European Union (Capital Requirements) Regulations 2014 (the "Regulations") as outlined in the Basis of Preparation on page 2 of the Country-by-Country Report ("Basis of Preparation"). In our opinion, the Country-by-Country Report for the financial year ended 31 December 2022 is prepared, in all material respects, in accordance with the Basis of Preparation.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) ("ISAs (Ireland)"), including ISA (Ireland) 800 and ISA (Ireland) 805. Our responsibilities under those standards are further described in the Auditor's Responsibility section of our report. We are independent of the Companies in accordance with the ethical requirements that are relevant to our audit of the Country-by-Country Report in Ireland, which includes the Irish Auditing & Accounting Supervisory Authority's Ethical Standard as applicable to public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Basis of Preparation

We draw attention to the Basis of Preparation included on page 2 of the Country-by-Country Report. The Country-by-Country Report is prepared to assist the Companies in meeting the requirements of the Regulations. As a result, the Country-by-Country Report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Directors' Responsibility for the Country by Country Report

The Directors are responsible for the preparation of the Country-by-Country Report in accordance with the Regulations, for determining the appropriateness of the Basis of Preparation described in page 2 of the Country by Country Report and for such internal controls as the Directors determine are necessary to enable the preparation of the Country by Country Report such that it is free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our objectives are to obtain reasonable assurance about whether the Country-by-Country Report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence

the economic decisions of users taken on the basis of this Country-by-Country Report.

A further description of our responsibilities for the audit of the financial statements is located on IAASA's website at: <https://iaasa.ie/publications/description-of-the-auditors-responsibilities-for-the-audit-of-the-financial-statements/>.

This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

We considered the nature of the Companies' industry and control environment, and reviewed documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management, in-house legal counsel, internal audit and the Board Audit Committee about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the Companies operate in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the Country-by-Country Report. This included the Regulations and the Companies Act 2014.
- do not have a direct effect on the Country-by-Country Report but compliance with which may be fundamental to the Company's ability to operate or to avoid a material penalty. These included the regulation and supervisory requirements of the European Central Bank and the Central Bank of Ireland.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in respect to the Country-by-Country Report.

As a result of performing the above, we identified the greatest potential for non-compliance with laws and regulations in respect to the Companies' compliance with the applicable Regulations under which the Country-by-Country Report is prepared. Our audit procedures included, amongst others, assessing the Basis of Preparation applied by the Companies and the adequacy of the required disclosures for compliance with the Regulations.

In common with all audits under ISAs (Ireland), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

AIB Group Country by Country Reporting

Independent Auditor's Report to the Directors of Allied Irish Banks, p.l.c., AIB Mortgage Bank u.c. and EBS d.a.c. in connection with the Country by Country Report for the financial year ended 31 December 2022 (*continued*).

Extent to which the audit was considered capable of detecting irregularities, including fraud (*continued*)

In addition to the above, our procedures to respond to the risks identified included the following:

- a. reviewing the Country-by-Country Report disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the Country by Country Report;
- b. performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- c. enquiring of management, internal audit and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- d. reading minutes of meetings of those charged with governance reviewing internal audit reports and reviewing correspondence with regulators.

Use of our report

Our report is made solely to the Companies Directors as a body in accordance with our engagement letter. Our audit work has been undertaken so that we might state to the Companies Directors those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Companies and the Companies Directors as a body, for our audit work, for this report, or for the opinions we have formed.

John McCarroll
For and on behalf of
Deloitte Ireland LLP
Chartered Accountants and Statutory Audit Firm
Dublin

04 May 2023

