

# AIB Group Country by Country Reporting

For the year ended 31 December 2015



Allied Irish Banks, p.l.c.

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## Country by Country Reporting

Index	Page
1. Basis of disclosure	2
2. Turnover, Profit before taxation, Taxation and Employees	3
3. Principal subsidiaries	3
4. Independent Auditors' Report	4

# Allied Irish Banks, p.l.c.

## Country by Country Reporting

### Basis of disclosures

Allied Irish Banks, p.l.c. ("AIB" or the "Parent Company") and its subsidiaries (collectively "AIB Group" or "Group") prepare consolidated financial statements ("consolidated accounts") under International Financial Reporting Standards ("IFRS").

Allied Irish Banks, p.l.c. is a credit institution authorised by the Central Bank of Ireland/Single Supervisory Mechanism. Both the Parent Company, the Group and other Irish licensed entities are required to file regulatory returns with the Central Bank for the purpose 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 ("PRA").

All subsidiaries are consolidated for both statutory reporting purposes under IFRS and for regulatory reporting, and accordingly, for AIB Group, the regulatory returns and financial statements are similar, other than presentation.

The disclosures contained in this report have been prepared for Allied Irish Banks, p.l.c. and its subsidiaries on a Group consolidated basis as at 31 December 2015. These disclosures 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.

Member States require each institution 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:

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

This information is provided, based on locations of operations of the significant subsidiaries of the Group.

#### (b) Turnover;

Turnover is reported on a consolidated basis for each country. The geographical distribution of turnover is based primarily on the location of the office recording the transaction.

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

The number of employees on a full time equivalent basis is reported as an average number of employees, analysed as to geography.

#### (d) Profit or loss before tax;

Profit 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. AIB Group was not in receipt of any public subsidies for the year-ended 31 December 2015.

# Allied Irish Banks, p.l.c.

## Country by Country Reporting

### Turnover, Profit before taxation, Taxation, Employees

Country	For the year ended 31 December 2015			
	Turnover <sup>(1)</sup> € m	Profit/(loss) before tax € m	Taxation (refund)/paid € m	Average FTEs
Republic of Ireland	2,175	1,644	4.3	9,145
United Kingdom	444	270	4.9	1,463
Rest of the World - see note <sup>(2)</sup>	9	–	(0.2)	55
<b>Total</b>	<b>2,628</b>	<b>1,914</b>	<b>9.0</b>	<b>10,663</b>

Country	For the year ended 31 December 2014			
	Turnover <sup>(1)</sup> € m	Profit/(loss) before tax € m	Taxation (refund)/paid € m	Average FTEs
Republic of Ireland	2,289	1,196	(0.2)	9,689
United Kingdom	239	(57)	25	1,641
Rest of the World <sup>(2)</sup>	4	6	0.3	54
<b>Total</b>	<b>2,532</b>	<b>1,145</b>	<b>25.1</b>	<b>11,384</b>

<sup>(1)</sup>Turnover 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 receivables).

In deriving 'turnover' by country, intercompany turnover arising within a country is eliminated but intercompany turnover between countries is reported in the above turnover by geography.

<sup>(2)</sup>There are no principal subsidiaries operated in the Rest of the World. The turnover is derived from the operations of smaller branches and entities of the Parent Company primarily in North America. The turnover of € 9 million (31 December 2014: € 4 million) is not considered material in the context of the requirement to disclose country-by-country information.

### Principal subsidiaries

Country	Principal subsidiary or branch	Nature of activities <sup>(1)</sup>
Republic of Ireland	Allied Irish Banks, p.l.c.	The parent company of the majority of the subsidiaries within the Group. Its activities include banking and financial services.
Republic of Ireland	AIB Mortgage Bank	Issue of mortgage covered securities.
Republic of Ireland	EBS Limited	Mortgages and savings.
United Kingdom	AIB Group (UK) p.l.c.	Banking and financial services.
Rest of the World <sup>(2)</sup>	N/A	Banking and financial services.

<sup>(1)</sup>For further details of the activities of the principal subsidiaries of the Group, see note m to the Allied Irish Banks, p.l.c. Financial Statements in the 2015 Annual Financial Report.

<sup>(2)</sup>There are no principal subsidiaries operated in the Rest of the World. The turnover is derived from the operations of smaller branches and entities of the Parent Company primarily in North America. The turnover of € 9 million (31 December 2014: € 4 million) is not considered material in the context of the requirement to disclose country-by-country information.

# Allied Irish Banks, p.l.c.

## Country by Country Reporting

### **Independent Auditors' Report to the Directors of Allied Irish Banks, p.l.c. in connection with the Country by Country Report for the year ended 31 December 2015**

We have audited the accompanying financial information of Allied Irish Banks, p.l.c. ("the Bank") for the financial year ended 31 December 2015 which comprise the Country by Country Report, the Basis of Disclosures and the Principal Subsidiaries (the "Report") as at 31 December 2015. The Report has been prepared by management in accordance with the requirements of Regulation 77 of the European Union (Capital Requirements) Regulations 2014 (the "Regulation").

#### **Directors' Responsibility for the Report**

The Directors are responsible for the preparation of the Report in accordance with the Regulation, the appropriateness of the Basis of Disclosures and for such internal controls as the Directors determine are necessary to enable the preparation of the Report that is free from material misstatement, whether due to fraud or error.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Report based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the Report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the Report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **Opinion**

In our opinion, the Report for the financial year ended 31 December 2015:

- has been prepared, in all material respects, in accordance with the Basis of Disclosures set out; and
- has been properly prepared in accordance with Regulation 77 of the European Union (Capital Requirements) Regulations 2014.

#### **Emphasis of Matter**

The Country by Country Report does not comprise a full set of financial statements prepared in accordance with International Financial Reporting Standards.

#### **Basis of Disclosures and Restriction on Use**

Without modifying our opinion, we draw attention to the Basis of Disclosures. The Report is prepared to assist the Bank in meeting the requirements of Regulation 77 of the European Union (Capital Requirements) Regulations 2014. As a result, the Report may not be suitable for another purpose. Our report is made solely to the directors as a body. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Bank and the Bank's directors as a body, for our audit work, for this report or for the opinions we have formed.

Deloitte  
Chartered Accountants and Statutory Audit Firm  
Dublin

14 December 2016