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Allied Irish Banks, p.l.c.

Country by Country Reporting
For the year ended 31 December 2023

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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 2023.

The following AIB credit institutions in the Republic of Ireland, authorised by the Central Bank of Ireland/Single Supervisory Mechanism at 31 December 2023, 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. For the purposes of this Country-by-Country Reporting Schedule, Allied Irish Banks, p.l.c. and its subsidiaries are collectively referred to as the 'Group'.

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 Semeral 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.

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.

(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. fee and commission income, net trading income, net gain on other financial assets measured at FVTPL, other operating income and net loss on derecognition of financial assets measured at amortised cost).

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 2023.

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

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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 the 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.

(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 2023.

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Turnover, Profit before taxation, Taxation and Employees

Group[1]

				For the year ended 31 December 2023
	Turnover	Profit before tax[2]	Taxation paid	Average FTEs[3]
	€ m	€ m	€ m	
Country				
Republic of Ireland	**4,181**	**2,053**	**1**	**9,378**
United Kingdom	**527**	**354**	**70**	**681**
Rest of the World[4]	**(5)**	**(11)**	**—**	**34**
Total	**4,703**	**2,396**	**71**	**10,093**

				For the year ended 31 December 2022
	Turnover	Profit before tax[2]	Taxation paid	Average FTEs[3]
	€ m	€ m	€ m	
Country				
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

Subsidiaries[5], based in the Republic of Ireland, which are credit institutions

				For the year ended 31 December 2023
	Turnover	Profit before tax	Taxation paid	Average FTEs[3]
	€ m	€ m	€ m	
AIB Mortgage Bank u.c.	**168**	**29**	**3**	**—**
EBS d.a.c.[6]	**344**	**218**	**1**	**—**

				For the year ended 31 December 2022
	Turnover	Profit before tax	Taxation paid	Average FTEs[3]
	€ m	€ m	€ m	
AIB Mortgage Bank u.c.	979	27	5	—
EBS d.a.c.[6]	260	123	2	—

(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 2023 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 2023 was € 76 million (€ 5 million ROI, € 71 million UK) (2022: € 31 million (€ 4 million ROI, € 27 million UK)).
(3) In addition to the numbers presented, a small number of the 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 debit of € 5 million (31 December 2022: credit of € 5 million) is not considered material in the context of the requirement to disclose country by country information.
(5) 100% of the operations of these entities are based in the Republic of Ireland.
(6) EBS d.a.c. and its subsidiaries on a group consolidated basis.

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Independent auditors' report to the Directors of Allied Irish Banks, p.l.c.
Report on the audit of the Country-by-Country Reporting Schedule

Opinion

In our opinion, Allied Irish Banks, p.l.c. and its subsidiaries (the "Group") Country-by-Country Reporting Schedule for the year ended 31 December 2023 has been properly prepared, in all material respects, in accordance with the Basis of Preparation set out on page 2.

We have audited the Country-by-Country Reporting Schedule for the year ended 31 December 2023 which comprises the Country by Country reporting for the year ended 31 December 2023 and 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, and applicable law. Our responsibilities under ISAs (Ireland) are further described in the Auditors' responsibilities for the audit of the Country-by-Country Reporting Schedule section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Group in accordance with the ethical requirements that are relevant to our audit of the Country-by-Country Reporting Schedule in Ireland, which includes IAASA's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Emphasis of Matter – Basis of Preparation

In forming our opinion on the Country-by-Country Reporting Schedule, which is not modified, we draw attention to the Basis of Preparation. The Country-by-Country Reporting Schedule is prepared by the directors for the purpose of meeting the requirements of Regulation 77 of Statutory Instrument 158 of 2014. The Country-by-Country Reporting Schedule has therefore been prepared in accordance with a special purpose framework and, as a result, the Country-by-Country Reporting Schedule may not be suitable for another purpose.

Conclusions relating to going concern

Our evaluation of the directors' assessment of the Group's ability to continue to adopt the going concern basis of accounting included:

- Obtaining management's going concern assessment;
- Performing a risk assessment to identify factors that could impact the going concern assessment;
- Considering the Group's Financial Plan approved by the Board in December 2023. In evaluating management's base case forecasts and alternative stress scenarios we considered the Group's financial position, historic performance, its past record of achieving strategic objectives and management's assessment of the likely impact on financial performance, capital and liquidity for a period of 12 months from the date on which the Country by Country Reporting Schedule is authorised for issue;
- Considering whether the assumptions underlying the base cases were consistent with related assumptions used in other areas of the Group's business activities, for example, in testing for non-financial asset impairment; and
- Reading relevant correspondence from the Central Bank of Ireland and the ECB Joint Supervisory Team with regards to regulatory capital and liquidity requirements of the Group.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's ability to continue as a going concern for a period of at least twelve months from the date on which the Country-by-Country Reporting Schedule is authorised for issue.

In auditing the Country-by-Country Reporting Schedule, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the Country-by-Country Reporting Schedule is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Group's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Responsibilities for the Country-by-Country Reporting Schedule and the audit

Responsibilities of the directors for the Country-by-Country Reporting Schedule

The directors are responsible for the preparation of the Country-by-Country Reporting Schedule and for the appropriateness of the basis of preparation. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of country-by-country reporting schedule that is free from material misstatement, whether due to fraud or error.

In preparing the Country-by-Country Reporting Schedule, 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.

Auditors' responsibilities for the audit of the country-by-country reporting schedule

It is our responsibility to report on whether the Country-by-Country Reporting Schedule has been properly prepared in accordance with the Basis of Preparation.

Our objectives are to obtain reasonable assurance about whether the Country-by-Country Reporting Schedule as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 Reporting Schedule.

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Independent auditors' report to the Directors of Allied Irish Banks, p.l.c
Report on the audit of the Country-by-Country Reporting Schedule (continued)

Auditors' responsibilities for the audit of the country-by-country reporting schedule (continued)

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.

Based on our understanding of the Group and its industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of banking laws and regulations, and we considered the extent to which non-compliance might have a material effect on the Country-by-Country Reporting Schedule. We also considered those laws and regulations that have a direct impact on the preparation of the Country-by-Country Reporting Schedule such as the Companies Act 2014. We evaluated management's incentives and opportunities for fraudulent manipulation of the Country-by-Country Reporting Schedule (including the risk of override of controls), and determined that the principal risks were related to the potential for management bias through judgement and assumptions in significant accounting estimates and manual journal entries being recorded in order to affect performance. Audit procedures performed by the engagement team included:

- Discussions with the Board Audit Committee, management and Group Legal including consideration of known or suspected instances of noncompliance with laws and regulations or fraud;
- Reading the meeting minutes of the Board of Directors, Board Audit Committee, Board Risk Committee, Board Remuneration Committee and the Board Nomination & Corporate Governance Committee;
- Consideration of the results of reporting from PwC UK relating to compliance with applicable laws and regulations and procedures performed to address assessed fraud risk;
- Discussions with Group Internal Audit and consideration of internal audit reports in so far as they related to the financial statements;
- Evaluating whether there was evidence of management bias that represents a risk of material misstatement due to fraud;
- Inspection of relevant regulatory correspondence from the Central Bank of Ireland and the ECB Joint Supervisory Team;
- Applying risk-based criteria to journal entries posted in the audit period to determine journal entries for testing purposes; and
- Designing audit procedures to incorporate elements of unpredictability around the nature and extent of audit procedures performed.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the Country-by-Country Reporting Schedule. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the Country-by-Country Reporting Schedule is located on IAASA's website at: https://iaasa.ie/wp-content/uploads/docs/media/IAASA/Documents/audit-standards/Description_of_auditors_responsibilities_for_audit.pdf. This description forms part of our auditors' report.

Use of this report

This report, including the opinion, has been prepared for and only for the Group's directors as a body. We do not, in giving this opinion, 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.

Ronan Doyle
For and on behalf of PricewaterhouseCoopers
Chartered Accountants and Statutory Auditors
Dublin
3 May 2024

Allied Irish Banks, p.l.c.
10 Molesworth Street, Dublin 2, D02 R126
+353 (1) 660 0311
aib.ie/investorrelations