BACKING OUR CUSTOMERS

PILLAR 3 DISCLOSURES
31 December 2021

AIB Group plc

Pillar 3 Report

AIB Group plc

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Forward Looking Statement

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, Government shareholding in the Group, 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 28 to 30 in the 2021 Annual Financial Report. In addition to matters relating to the Group’s business, future performance will be impacted by direct and indirect impacts of the COVID-19 pandemic and by Irish, UK and wider European and global economic and financial market considerations. 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 28 to 30 of the 2021 Annual 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.

Introduction

This document contains the required regulatory disclosures under Capital Requirements Regulation ("CRR"), Part Eight – Disclosures by Institutions and is prepared in compliance with Regulation (EU) 2021/637.

Basis of disclosures

AIB Group plc ('the parent company') is a company domiciled in Ireland and is the holding company of the Group (LEI code: 635400AKJBGNS5WNQL34).

Under Article 4 (1) (29) of the CRR, AIB Group plc is an EU parent institution. Under Article 13 (1) of the CRR, disclosure obligations as laid down in Part Eight of the CRR are on the basis of the consolidated situation of the EU parent institution i.e. AIB Group plc.

Allied Irish Banks, p.l.c., a direct subsidiary of AIB Group plc, is a credit institution authorised by the Central Bank of Ireland ("CBI")/Single Supervisory Mechanism ("SSM") (LEI code: 3U8WV1YX2VMUHH7Z1Q21). Allied Irish Banks, p.l.c. and its subsidiaries: AIB Mortgage Bank u.c. and EBS d.a.c. are licenced entities and are required to file regulatory returns with the Central Bank for the purpose of assessing their capital adequacy. In addition, AIB Group (UK) p.l.c., also a subsidiary of Allied Irish Banks, p.l.c., is a licenced entity and files regulatory returns with the Prudential Regulatory Authority ("PRA"). On 31 August 2021 AIB Group plc. completed the acquisition of Goodbody Stockbrokers ("Goodbody") which is consolidated in AIB Group plc. results. Goodbody is supervised per the Investment Firms Regulation ("IFR") on an individual basis and included in Group consolidated supervision.

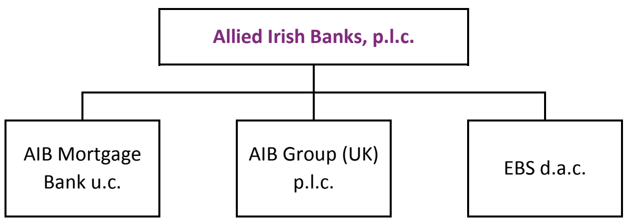
AIB Group plc and its subsidiaries (collectively "AIB Group" or "Group") prepares consolidated financial statements ("consolidated accounts") under International Financial Reporting Standards ("IFRS"). Not all subsidiary entities are included in the scope of regulatory consolidation. Semeral Limited and Payzone Ireland Limited are fully consolidated for accounting purposes and neither consolidated nor deducted for regulatory purposes.

The Pillar 3 disclosures have been prepared to explain the basis on which the Group has prepared and disclosed capital requirements and information about the management of certain risks as at 31 December 2021 and for no other purpose. They do not constitute any form of financial statement and should not be relied upon exclusively in making any judgement on the Group. They should be read in conjunction with the other information made public by AIB Group and available on the AIB Group website, including the Annual Financial Report 2021.

Basis of consolidation for accounting and prudential purposes

Under Article 4 of the CRR, AIB Group plc is a financial holding company. AIB Group prepares consolidated financial statements under IFRS as adopted by the EU for statutory reporting purposes ("the Consolidated Accounts"). Additionally, AIB Group is required to prepare regulatory returns for submission to its supervisor ("the Regulatory Returns") for the purpose of assessing its capital adequacy and monitoring its balance sheet.

Licensed banks within AIB Group as at 31 December 2021



Large subsidiary

Subsidiaries are not required to comply with Pillar 3 disclosures per Article 6, however, large subsidiaries are required to disclose certain information per Article 13(1). A review of the licensed subsidiaries is carried out quarterly to determine if they meet the definition of a large subsidiary. The only large subsidiary in AIB Group at 31 December 2021 was Allied Irish Banks, p.l.c. Large subsidiaries shall disclose all the information required per Article 13(1) on an annual basis and the required information on a semi annual and quarterly basis.

Frequency

The Group is required to publish annual, semi-annual and quarterly disclosures as per Articles 433 and 433a. This is the first set of annual disclosures required under the Capital Requirements Regulation II ("CRR2"). This publication is in line with Article 433 of the CRR2, which states that Pillar 3 disclosures shall be published on the same date as the date on which the institutions publish their financial reports for the corresponding period where applicable or as soon as possible thereafter.

Reporting conventions

Where disclosures have been enhanced, or are new, they are generally not restated or comparatives provided. Wherever specific rows and columns in the tables and templates prescribed by the EBA or Basel are not applicable to our activities, they are left blank and the same approach followed for comparatives. Comparisons against prior periods have been included in the templates as appropriate/ required by Regulation (EU) 2021/637.

This Pillar 3 report is reported in Euro millions for the reference date 31 December 2021 and the reference period 1 January 2021 to 31 December 2021.

Due to rounding, numbers presented throughout this document may not add up precisely to the totals we provide and percentages may not precisely reflect the absolute figures.

Numbers presented are on a transitional basis unless otherwise stated.

Media and location

The Pillar 3 report is published on AIB Group's website (https://aib.ie/investorrelations), alongside the Annual Financial Report 2021. Pillar 3 reports from previous years (as per Article 434) and Allied Irish Banks, p.l.c. disclosures are also available on this website.

Verification

The Pillar 3 disclosures have been subject to internal review procedures broadly consistent with those undertaken for unaudited information published in the Annual Financial Report 2021 but have not been audited by the Group's external auditors. Any audited information that has been included in these disclosures is included in the Annual Financial Report 2021.

Disclosure policy

The Group maintains a formal Pillar 3 disclosure policy (as per Article 431(3)) which is reviewed annually and subject to approval within the Group's internal governance framework.

Attestation

The Group has formal policies and internal processes, systems and controls in place to comply with the disclosure requirements under CRR. Specific governance committees are responsible for reviewing the Group's Pillar 3 disclosures so that they have been subject to adequate verification and comply with applicable standards and legislation.

"I confirm that AIB Group's Pillar 3 disclosures, to the best of my knowledge, comply with Part Eight of the CRR and have been prepared in compliance with AIB Group's internal control framework".

This report has been attested by:

Chief Financial Officer and Member of the Board of AIB Group
Donal Galvin

Chapter 1. Disclosure of key metrics and overview of risk-weighted exposure amounts

1: Template EU KM1 - Key metrics template

As per Article 447, points (a) to (g) and Article 438, point (b) the following template provides a summary of the main prudential and regulatory information and ratios covered by the CRR on a transitional basis. It also includes information on Pillar 2 requirements.

Main movements between December and September 2021 are as follows:
- Available own funds: Amounts increased mainly due to inclusion of H2 profits (€ 0.4 bn).
- Risk-weighted exposures amounts (RWEA): Credit risk (excluding CCR) increased by € 1.6 bn mainly due to recalibration of IRB models, grade migration, foreign exchange movements and net increase in new business partially offset by loan sales. Counterparty credit risk increased by € 0.1 bn mainly due to increased repurchase transactions. Values are broadly flat in the period for securitisations, market risk and operational risk.
- Liquidity: The liquidity position continues to improve due to increased customer deposits, resulting in more placements with the central banks.

		a	b	c	d	e
		31/12/2021	30/09/2021	30/06/2021	T-3[1]	T-4[1]
	Available own funds (amounts)					
1	Common Equity Tier 1 (CET1) capital	10,102	9,730	9,845		
2	Tier 1 capital	11,217	10,845	10,961		
3	Total capital	12,741	12,368	12,483		
	Risk-weighted exposure amounts					
4	Total risk-exposure amount	52,637	50,999	51,136		
	Capital ratios (as a percentage of risk-weighted exposure amount)					
5	Common Equity Tier 1 ratio (%)	19.19 %	19.08 %	19.25 %		
6	Tier 1 ratio (%)	21.31 %	21.27 %	21.43 %		
7	Total capital ratio (%)	24.21 %	24.25 %	24.41 %		
	Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)					
EU 7a	Additional own funds requirements to address risks other than the risk of excessive leverage (%)	3.00 %	3.00 %	3.00 %		
EU 7b	of which: to be made up of CET1 capital (percentage points)	1.69 %	1.69 %	1.69 %		
EU 7c	of which: to be made up of Tier 1 capital (percentage points)	2.25 %	2.25 %	2.25 %		
EU 7d	Total SREP own funds requirements (%)	11.00 %	11.00 %	11.00 %		
	Combined buffer requirement (as a percentage of risk-weighted exposure amount)					
8	Capital conservation buffer (%)	2.50 %	2.50 %	2.50 %		
EU 8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)[2]	- %	- %	- %		
9	Institution specific countercyclical capital buffer (%)	0.01 %	0.01 %	0.01 %		
EU 9a	Systemic risk buffer (%)[2]	- %	- %	- %		
10	Global Systemically Important Institution buffer (%)[3]					
EU 10a	Other Systemically Important Institution buffer (%)	1.50 %	1.50 %	1.00 %		
11	Combined buffer requirement (%)	4.01 %	4.01 %	3.51 %		
EU 11a	Overall capital requirements (%)	15.01 %	15.01 %	14.51 %		
12	CET1 available after meeting the total SREP own funds requirements (%)	13.00 %	12.89 %	13.07 %		
	Leverage ratio					
13	Total exposure measure	130,894	128,263	126,522		
14	Leverage ratio (%)	8.57 %	8.46 %	8.66 %		
	Additional own funds requirements to address the risk of excessive leverage (as a percentage of total exposure measure)					
EU 14a	Additional own funds requirements to address the risk of excessive leverage (%)[4]	- %	- %	- %		
EU 14b	of which: to be made up of CET1 capital (percentage points)	- %	- %	- %		
EU 14c	Total SREP leverage ratio requirements (%)	3.00 %	3.00 %	3.00 %		
	Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)					
EU 14d	Leverage ratio buffer requirement (%)[5]	- %	- %	- %		
EU 14e	Overall leverage ratio requirement (%)	3.00 %	3.00 %	3.00 %		
	Liquidity Coverage Ratio					
15	Total high-quality liquid assets (HQLA) (Weighted value -average)	37,620	35,287	32,322		
EU 16a	Cash outflows - Total weighted value	20,031	19,265	18,409		
EU 16b	Cash inflows - Total weighted value	708	798	844		
16	Total net cash outflows (adjusted value)	19,322	18,467	17,565		
17	Liquidity coverage ratio (%)	194.42 %	190.81 %	183.63 %		
	Net Stable Funding Ratio					
18	Total available stable funding	102,408	100,738	99,260		
19	Total required stable funding	64,065	65,127	66,636		
20	NSFR ratio (%)	159.85 %	154.68 %	148.90 %		

[1] Full comparatives not populated as this is the third disclosure period for this template under CRR II requirements.
[2] To date AIB Group has no conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State and Systemic risk buffer.
[3] AIB Group has no Global Systemically Important Institution (G-SII) buffer, because it is not a G-SII.
[4] To date AIB Group has no additional own funds requirements to address the risk of excessive leverage.
[5] AIB Group is not a G-SII and therefore has no value to report for Leverage ratio buffer requirement on row EU14d.

2: Template EU OV1 - Overview of total risk exposure amounts

As per Article 438 point (d) the following template provides an overview of the total risk exposure amounts (TREA) forming the denominator of the risk based capital requirements calculated in accordance with Article 92 of the CRR.
This template has been adjusted under CRR II to reflect the difference in the new frameworks for securitisation exposures and counterparty credit risk.
Note Total own funds requirements are calculated as 8% of TREA.

Main movements between December and September 2021 are as follows:
- Credit risk (excluding CCR) increased by € 1.6 bn mainly due to recalibration of IRB models, grade migration, foreign exchange movements and net increase in new business partially offset by loan sales.
- Counterparty credit risk increased by € 0.1 bn mainly due to increased repurchase transactions.
- Securitisations, market and operational risk remained broadly flat during the period.

		Total risk exposure amounts (TREA)		Total own funds requirements
		a	b	c
		31/12/2021	30/09/2021	31/12/2021
1	Credit risk (excluding CCR)	45,637	44,086	3,651
2	Of which the standardised approach	24,110	24,184	1,929
3	Of which the Foundation IRB (F-IRB) approach	16,089	14,779	1,287
4	Of which slotting approach			
EU 4a	Of which equities under the simple riskweighted approach			
5	Of which the Advanced IRB (A-IRB) approach	5,437	5,123	435
6	Counterparty credit risk - CCR	1,246	1,140	100
7	Of which the standardised approach	665	652	53
8	Of which internal model method (IMM)			
EU 8a	Of which exposures to a CCP	12	12	1
EU 8b	Of which credit valuation adjustment - CVA	108	121	9
9	Of which other CCR	460	355	37
10	Not applicable			
11	Not applicable			
12	Not applicable			
13	Not applicable			
14	Not applicable			
15	Settlement risk	2	3	0
16	Securitisation exposures in the non-trading book (after the cap)	872	858	70
17	Of which SEC-IRBA approach			
18	Of which SEC-ERBA (including IAA)	716	712	57
19	Of which SEC-SA approach	157	146	13
EU 19a	Of which 1250%/ deduction			
20	Position, foreign exchange and commodities risks (Market risk)	446	477	36
21	Of which the standardised approach	446	477	36
22	Of which IMA			
EU 22a	Large exposures	-	-	-
23	Operational risk	4,435	4,435	355
EU 23a	Of which basic indicator approach	-	-	-
EU 23b	Of which standardised approach	4,435	4,435	355
EU 23c	Of which advanced measurement approach	-	-	-
24	Amounts below the thresholds for deduction (subject to 250% risk weight)*	520	504	42
25	Not applicable			
26	Not applicable			
27	Not applicable			
28	Not applicable			
29	**Total**	**52,637**	**50,999**	**4,211**

*The amount is shown for information only, as these exposures are already included in row 1 Credit risk (excluding CCR) and related ''of which''.

3: Table EU OVC - ICAAP information

As per Article 438 points (a) and (c) the following table below provides information on the Internal Capital Adequacy Assessment Process and ongoing assessment of the bank's risks and how the bank intends to mitigate those risks.

Legal basis	Row number	Qualitative information	
Article 438(a) CRR	(a)	Approach to assessing the adequacy of the internal capital.	Capital adequacy risk is primarily evaluated through the annual financial planning and the Group's ICAAP processes where the level of capital required to support growth plans and meet regulatory requirements is assessed over the three year planning horizon. Plans are assessed across a range of scenarios ranging from base case and moderate downside scenarios to a severe but plausible stress using the Group's stress testing methodologies. An annual material risk assessment is conducted to identify all relevant (current and anticipated) material risks which are then assessed from a capital perspective. The ICAAP is fully integrated and embedded in the strategic, financial and risk management processes of the Group. The Business Model and Capital Adequacy Framework sets out the key processes, governance arrangements and roles and responsibilities which support the ICAAP. Embedding of the ICAAP is facilitated through capital planning, the setting of risk appetite and risk adjusted performance monitoring. In addition to the capital plan, a capital contingency plan is in place which identifies and quantifies actions which are available to the Group in order to mitigate against the impact of a stress event. Trigger points at which these actions will be considered are also identified. The impact of changing regulatory requirements, changes in the risk profile of the Group's balance sheet and other internal factors, and changing external risks are regularly assessed by first line of defence and second line of defence teams via regular monitoring of performance against the agreed financial plan, monthly capital updates to ALCo and Group Risk Committees and are also assessed via quarterly internal stress testing. An annual material risk assessment is conducted to identify all relevant (current and anticipated) material risks which are then assessed from a capital perspective. A further set of triggers and capital options are set out in the Group's Recovery Plan, which presents the actions available to the Group to restore viability in the event of extreme stress.
Article 438(c) CRR	(b)	Upon demand from the relevant competent authority, the result of the institution's internal capital adequacy assessment process.	Not applicable as the competent authority has not requested disclosure of the results of the ICAAP.

Chapter 2. Disclosure of risk management objectives and policies

4: Table EU OVA - Institution risk management approach

As per Article 435(1) see table below;

Legal basis	Row number	Qualitative information	
Point (f) of Article 435(1) CRR	(a)	Disclosure of concise risk statement approved by the management body.	Risk management is central to how the Group conducts its business while safeguarding the Group. The risk management structure in the Group includes defined lines of authority and accountability, effective processes to identify, manage, monitor and report the risks to which the Group is or might be exposed to. Clear responsibilities for the management of risk are defined across the Group through a three lines of defence model which ensures effective independent oversight and assurance in respect of key decisions. Under the three lines of defence model, the primary responsibility for risk management lies with the business management who are the first line of defence. The Risk function provides the second line of defence, providing independent oversight, support and challenge to business line managers. The third line of defence is the Group Internal Audit function ("GIA") which provides independent assurance to the Board Audit Committee on the effectiveness of the system of internal control. The Group's Risk Management Framework (RMF) sets out how risk is managed and articulates the integrated approach to risk management within the Group including its licenced subsidiaries. The Risk Management Framework supports the Group in achieving its strategic ambitions by providing a clear, concise and comprehensive approach to the governance, implementation and embedding of risk management practices. The Risk Management Framework is reviewed, updated and approved by the Board at least annually to reflect any changes to the Group's business or consideration of external regulations, corporate governance requirements and industry best practice. One of the key processes required by the RMF is the material risk assessment (MRA) which identifies the key risks to which the Group is exposed. The material risk assessment is a top down process performed on an least annual basis for the Group which identifies the key principal and emerging risks. This assessment takes into account the Group's strategic objectives and incorporates both internal and external risk information. The Group applies a common taxonomy of risk through its material risk assessment. Separate material risk assessments are also undertaken for the licenced subsidiaries. In 2021 the Group announced the acquisitions of Goodbody and the proposed acquisition of Ulster Bank's corporate and commercial loan book and the joint ventures with Great-West LifeCo Inc and Autolease Fleet Management Limited. These transactions have been assessed as part of the Group's risk management processes including the material risk assessment to identify any new material risks that may impact the Group, risk appetite statement and through the Group's financial planning process. The following are considered the largest risks facing the Group and fall into two broad categories, in addition reputation risk may emerge as an outcome risk from any of these areas: Financial Risks: Risks that the Group takes intentionally in order to earn a return as part of its business activities. These generally arise through exposure to individuals or corporates, or to market prices and economic conditions. Risks falling into this category include Credit Risk, Market Risk, Liquidity & Funding Risk and Capital Adequacy Risk. Non-Financial Risks: Risks that the Group faces as a direct or indirect consequence of its business activities/operations and which it mitigates as appropriate. These risks generally arise from operational errors, failures to comply with regulatory requirements or generally accepted ethical business standards, or from changes in external market conditions (e.g. increased competition from new entrants). Risks falling into this category are Operational Risk, Conduct Risk, People & Culture, Model Risk, Regulatory Compliance Risk and Business Model Risk which is the risk that the Group's financial performance would fall short of its Financial Plan. The Group Risk Committee is responsible for the annual review of the Group MRA and recommendation to the Board Risk Committee for approval. As at the reporting date the principal risks identified are: Credit Risk; Operational Risk; Business Model Risk; Conduct Risk; Regulatory Compliance Risk; People & Culture Risk; Financial Risk; Model Risk; Liquidity and Funding Risk; and Capital Adequacy Risk. Climate change risks have been identified as an emerging risk classified into two main categories: physical risk and transition risk. Physical risk arises from the increasing frequency and severity of events related to climate change (flooding and extreme weather event), while transition risk is the financial loss that may incur, directly or indirectly, as a result of the process of adjusting to a low-carbon economy. The material risk assessment process has identified these risks as pervasive across all principal risks. The impact of climate change poses an emerging Credit Risk. The Group have continued to embed these risks within Credit Risk by updating credit sanctioning policies and lending procedures across different sectors to require greater consideration of Environmental, Social and Governance (ESG) factors in the credit origination process. These have been supported by the development of a sectoral heatmap in order to identify those sectors that are highly impacted by climate risks. A new ESG questionnaire has been implemented to assist the Group's credit processes and procedures in identifying and assessing ESG risk during the lending process. This has been implemented for customers in high climate risk sectors in Ireland.

Point (f) of Article 435(1) CRR	(a)	Disclosure of concise risk statement approved by the management body (continued)	This risk profile interaction with the risk tolerance is managed through the Risk Appetite Statement (RAS) process. The Board sets the RAS for the Group informed by the material risk assessment. Risk appetite is the nature and extent of risk that the Group is willing to take, accept, or tolerate in pursuit of its business objectives and strategy as set by the Board. It also informs the Group's strategy, and as part of the Risk Management Framework, is a boundary condition to strategy and guides the Group in its risk taking and related business activities including key strategic business decisions. The Financial Plan is tested to ensure it is within the risk appetite. The Group Risk Appetite Statement is articulated through qualitative statements and quantitative limits and thresholds. The Group Risk Appetite Statement seeks to encourage appropriate risk taking to ensure that risks are consistent with the Group strategy and risk appetite. The key method by which this is achieved is that the Group Risk Appetite Statement cascades into key business segments with separate Risk Appetite Statements for each licenced subsidiary reflecting the risk appetite of the subsidiary as a standalone entity. The Group's risk appetite statement is built on the following overarching qualitative statements: •We aim to grow our business sustainably, recognising the positive contribution we make to the communities we serve. We do this by identifying, understanding and managing all the risks that impact us, ensuring appropriate returns for risks and by building long term sustainable relationships with our customers which are resilient through the cycle; •We have low appetite for income volatility and target steady, sustainable earnings to enable appropriate, regular and sustainable dividend payments; •We do not have an appetite for large proprietary market risk positions in our trading book; •We accept the concentration risk arising from our focus on markets in Ireland and the UK. Within these markets we seek to avoid excessive concentrations to sectors or single-names and test repayment capacity in stress conditions; •We seek to attract and retain skilled staff and place great emphasis on the integrity of staff and accountability for both inaction and actions taken, rewarding behaviours consistent with our brand values and code of conduct; •We seek to offer our customers choice, by providing transparent, consistent and fair products and services and seek always to deliver fair customer outcomes; •We seek to maintain the highest level of availability of key services for our customers; •We seek at all times to comply with all relevant laws, regulations, codes and guidelines applicable to the Group's activities and to proactively implement new regulatory obligations; •We seek to maintain a strong capital base that generates sustainable returns in line with stakeholder and market expectations; •Consideration will be given to opportunities for inorganic growth that would support the Group in terms of scale and/or capability, where the Group has proven competence and capacity, and that maintain alignment with our qualitative Risk Appetite Statements; and •We seek resilient, diversified funding relying significantly on retail deposits. In accordance with Article 432(1) on materiality, the key metrics and ratios have been included to outline the management of the risk profile through the Risk Appetite process are: –Credit Risk - NPE outstanding as a % of customer loans and Migration to stage 2; –Operational Risk - Cumulative operational risk losses and cyber security metric; –Business Model Risk - Operating Profit (pre-exceptional items) negative variance to plan and Aggregate Group Risk Adjusted Return on Capital (RAROC) on new business –Conduct Risk - Number of complaints and time to resolve and number of overdue products to review –Regulatory Compliance Risk – Number of data protection incidents and reporting of suspicious transactions to manage anti-money laundering and financial crime risks –People & Culture Risk - Senior role attrition; –Financial Risk - Earnings sensitivity and Interest Rate Capital at Risk; –Model Risk - Quarterly risk assessment of live models; –Liquidity and Funding Risk - Liquidity Coverage Ratio and Survival Period –Capital Adequacy Risk - Fully Loaded CET1 ratio and Fully loaded capital ratio.

Point (b) of Article 435(1) CRR	(b)	Information on the risk governance structure for each type of risk.	The overall control framework in place is the Risk Management Framework (RMF). This sets out the risk management requirements for the Group and there are supporting frameworks and policies in place for each material risk. The supporting executive committees that are key to the management of the material risks are: Group Risk Committee: The Group Risk Committee is the most senior management risk committee and is accountable to the Executive Committee to set policy and monitor all risk types across the Group to enable delivery of the Group’s risk strategy. The roles and responsibilities of the Group Risk Committee are: •Approving risk frameworks, risk appetite statements, risk policies and limits to manage the risk profile of the Group, or where relevant review and recommendation of same to the Board Risk Committee; •Reviewing the Group’s risk profile, trends, concentrations and policy exceptions (enterprise wide) including regular monitoring of compliance with Group Risk Appetite and management actions to restore compliance and escalation of limit breaches to the Board Risk Committee as required; •Periodically reviewing the effectiveness of the Group’s risk management policies for identifying, evaluating, monitoring, managing, and measuring significant risks; •Providing oversight and challenge of regulatory, operational and conduct risk related matters; •Providing oversight and challenge of credit risk management related matters and periodically reviewing the credit portfolio exposures and trends; •Providing oversight and challenge of risk measurement matters; •Overseeing the development of the Group’s risk management culture; •Monitoring and reviewing the Group’s risk profile for equity risk and the business segment limits for equity risk; •Providing advice to the Board Risk Committee on risk governance, current and future risk exposures and review and recommendation of Group Risk Appetite Statement (including ongoing monitoring); •Reviewing the annual risk assessments prepared by the first line of defence to identify and evaluate all significant risks and related risk management activities; •Considering the annual Money Laundering Reporting Officer’s report; and •Considering and assessing management’s response to Group Internal Audit findings. The sub-committees of the Group Risk Committee are the Group Credit Committee, the Regulatory and Conduct Risk Committee, the Risk Measurement Committee and the Operational Risk Committee: •The Group Credit Committee is responsible for the approval of material credit transactions in line with authority levels outlined in the Group Credit Risk policies, to review, approve or recommend to a higher authority Credit Risk Policies and to monitor and review credit management, performance and other credit matters that arise within the Group. The Group Credit Committee also reviews and challenges ECL levels for onward recommendation to the Board Audit Committee; •The Regulatory and Conduct Risk Committee is responsible for the governance and oversight of regulatory and conduct risks; •The Risk Measurement Committee is responsible for the governance, oversight and approval of all aspects of the Group’s risk measurement systems, material model methodologies as well as the maintenance of existing material models; and •The Operational Risk Committee is responsible for the governance and oversight of operational risks.
			Risk Management Framework - Continued Group Asset and Liability Management Committee (“ALCo”) ALCo is a sub-committee of the Executive Committee. ALCo is the Group’s strategic and business decision making forum for balance sheet management matters. ALCo is tasked with decision-making in respect of the Group’s balance sheet structure, including capital, funding, liquidity, interest rate risk in the banking book (“IRRBB”) from an economic value and net interest margin (“NIM”) perspective, foreign exchange (“FX”) risks and other market risks to ensure it enables the delivery of the Group’s Strategic Plan. The Committee provides oversight of liquidity and funding, capital, market and equity/investments risk and balance sheet pricing in line with the relevant frameworks and policies across the Group and in accordance with Risk Appetite. Approved Limits: The approved metrics and ratios used in setting the risk appetite are detailed in (a). Changes to the heads of the key control functions during the reporting period are: CRO announced in 2021 of the intention to retire in 2022. A new Group Head of Operational Risk was appointed in March 2021.

			Risk Culture Risk culture is an integral part of the Group's overall culture. The risk culture defines how risk is managed and owned throughout the Group. It is the values, behaviours, beliefs, knowledge, attitudes, awareness and understanding of, and towards risk shared by people. It sets the foundation for how the Group manages risk in a consistent and coherent manner. The effectiveness of the Group Risk Appetite Statement is highly dependent on risk culture. Risk culture is one of the key elements of the Group's Risk Management Framework; it is through the communication of risk framework and policy documents and the cascade of Risk Appetite Statements to segment and subsidiary level that an awareness of risk and control is set and cascaded throughout the Group. The Group's promotion of risk learning through recommended risk training and education supports the embedding of risk culture. The Group has a principles based Code of Conduct which sets out how employees are expected to behave in terms of Business, Customer and Employees. The Code is fully aligned to the Group's Purpose and the Values, and is supported by a range of employee policies including Conflicts of Interests and Speak Up. The Code and policies are reviewed (and updated if required) on an annual basis and are communicated through an annual mandatory e-Learning course, which must be completed by anyone working in or for the Group. The Speak Up policy sets out how one can safely and confidentially raise a concern about suspected or actual wrongdoing in work, without fear of penalisation. Any matters raised via Speak Up are managed by a dedicated Speak-Up team, which is underpinned by governance and overseen by a member of the Board appointed as the 'Speak-Up champion'.
Point (e) of Article 435(1) CRR	(c)	Declaration approved by the management body on the adequacy of the risk management arrangements.	Directors' Statement on Risk Management and Internal Controls The Board of Directors is responsible for the Group's system of internal control, which is designed to manage the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss. The Group has implemented a framework and policy architecture covering business and financial planning, corporate governance and risk management. The system of internal controls is designed to ensure that there is thorough and regular evaluation of the Group's risks in order to react accordingly, rather than to eliminate risk. This is done through a process of identification, measurement, monitoring and reporting. This process includes an assessment of the effectiveness of internal controls, which was in place for the full year under review up to the date of approval of the accounts, and which accords with the Central Bank of Ireland's Corporate Governance requirements for Credit Institutions 2015 and the UK Corporate Governance Code. The Board has ultimate responsibility for reviewing the effectiveness of the system of internal control on a continuous basis and is supported by a number of sub-committees including Board Audit Committee ("BAC"), Board Risk Committee ("BRC"), Remuneration Committee, Sustainability Business Advisory Committee ("SBAC"), Technology and Data Advisory Committee ("TDAC"), and Nomination & Corporate Governance Committee. The BRC is appointed by the Board to assist the Board in fulfilling its oversight responsibilities. It is responsible for fostering sound risk governance across all of the Group's finances and operations (including all operations, legal entities and branches in ROI, the UK and USA) taking a forward looking perspective and anticipating changes in business conditions. The Committee discharges its responsibilities in ensuring that risks within the Group are appropriately identified, reported, assessed, managed and controlled to include commission, receipt and consideration of reports on key strategic and operational risk issues. It ensures that the Group's overall actual and future risk appetite statement and strategy, taking into account all types of risks, are aligned with the business strategy, objectives, corporate culture and values of the institution while promoting a risk awareness culture within the Group. BRC oversees and challenges the risk management function, which is managed on a day-to-day basis by the Chief Risk Officer ("CRO"), and liaises regularly with the CRO to ensure the Risk Function is adequately resourced and has appropriate access to information to enable it to perform its functions effectively and in accordance with relevant professional standards. The Committee further provides advice on the ongoing viability of the Group, taking into account the Group's overall position and principal risks. The BAC is appointed by the Board to assist it in fulfilling its oversight responsibilities in relation to the quality and integrity of the Group's accounting policies, financial and narrative reports, and disclosure practices. The Committee also ensures the effectiveness of the Group's internal control, risk management, and accounting and financial reporting systems and the adequacy of arrangements by which staff may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters. It also ensures the independence and performance of the Internal and External Auditors.

The Chief Financial Officer ("CFO"), the Chief Risk Officer ("CRO") and the Group Internal Auditor are involved in all meetings of the BAC and BRC.

The Remuneration Committee is responsible for the design and implementation of the Group's overall Remuneration Policy for employees and directors, designed to support the long term business strategy, values and culture of the Group as well as to promote effective risk management, and reward fairly and responsibly, with a clear link to corporate and individual performance in compliance with applicable legal and regulatory requirements.

The SBAC was established by the Board and Senior Executive Management to act as an Advisory Committee, supporting the execution of the Group's sustainable business strategy in accordance with the approved Group Strategic and Financial Plan. The Strategy includes the development and safe guarding of the Group's 'social licence to operate' through the demonstration of our Purpose, such that the Group is actively seen as supporting Ireland's economic & social progress as an integral part of the Group's business and operations. In particular, the SBAC considers and advises on customers and conduct, communities/local markets, employees, climate and broader environmental impacts, reputation and trust and external reporting.

The TDAC is appointed by the Board to assist in fulfilling its oversight responsibilities by reviewing and challenging the strategy, governance and execution of matters relating to Technology, Data and Cyber security.

The Nomination and Corporate Governance Committee's responsibilities include, amongst others, supporting and advising the Board in fulfilling its oversight responsibilities in relation to the composition of the Board by ensuring it is comprised of individuals who are best able to discharge the duties and responsibilities of Directors, to include leading the process for nominations and appointments to the Board and Board Committees as appropriate, and making the recommendations in this regard to the Board for its approval. It also supports and advises the Board in fulfilling its oversight responsibilities in relation to the composition of the Group's Executive Committee and the composition of the Boards of its material subsidiaries. It keeps Board governance arrangements, corporate governance compliance and related policies under review and makes appropriate recommendations to the Board to ensure corporate governance practices are consistent with best practice standards.

Directors' Statement on Risk Management and Internal Controls - Continued

Executive risk management and controls

- The Executive Committee ("ExCo") is the most senior executive committee of the Group. Subject to financial and risk limits set by the Board, and excluding those matters which are reserved specifically for the Board, the ExCo has primary authority and responsibility for the day-to-day operations of, and the development of strategy for, AIB Group. The ExCo works with and advises the CEO, ensuring a collaborative approach to decision making and collective ownership of strategy development and implementation, including promoting action to address performance issues as required.

- The Group Risk Committee ("GRC") was established by, and is accountable to, the ExCo to set policy and monitor all risk types across the Group and to enable delivery of the Group's risk strategy. It is the primary second line of defence risk management committee of the Group. It provides oversight and monitors strategic business initiatives that have material implications for the Group to ensure they align and are consistent with the Group risk appetite and other risk policies as approved by the BRC.

- The Group Asset and Liability Committee ("ALCo") is a sub-committee of the ExCo and acts as the Group's strategic and business decision making forum for balance sheet management matters. It sets policy and is responsible for effective balance sheet management and alignment to Group strategy for liquidity and funding risk, market risk and capital adequacy risk.

- There is a centralised risk control function headed by the CRO, who is responsible for ensuring that risks are understood, managed, measured, monitored and reported on, and for reporting on risk mitigation actions.

- The Risk function is responsible for establishing and embedding risk management frameworks, ensuring

			that material risk policies are reviewed, and reporting on adherence to risk limits as set by the Board of Directors. •The Group's risk profile is measured against its risk appetite and reported, including exceptions, to the GRC and BRC through the CRO report. Elements of the CRO report are also contained in the Executive Management Report reported to the full Group Board. Material breaches of risk appetite are escalated to the Board and reported to the Central Bank of Ireland/Joint Supervisory Team ("JST"). •The centralised credit function is headed by a Chief Credit Officer who reports to the CRO. •Compliance, which is part of the Risk function, provides interpretation and assessment of compliance risk, specifically, laws, regulations, rules and codes of conduct applicable to its banking activities. •There is an independent Group Internal Audit function which is responsible for independently assessing the effectiveness of the Group's corporate governance, risk management and internal controls and reports directly to the Chair of the BAC. •AIB employees who perform pre-approved controlled functions/controlled functions meet the required standards as outlined in the Group's Fitness and Probity programme.
Point (c) of Article 435(1) CRR	(d)	Disclosure on the scope and nature of risk disclosure and/or measurement systems.	Risk reporting processes are in place for each of the principal risks under the relevant risk frameworks and policies. This enables management, governance committees and other stakeholders to oversee the effectiveness of the risk management processes, adherence to risk Policies and to regulatory requirements. Each of the material risks has a specific approach to how the risk is measured. The Group Risk Appetite Statement and the separate risk appetite statements for the business segments and licensed subsidiaries contain metrics which are measured on a monthly basis against the limits set. Metrics for Group RAS and any deviations to appetite for Group, segments and subsidiaries are reported to Group Risk Committee and Board Risk Committee through the CRO report. The Group CRO has unrestricted access to the Chair of the Board and BRC. The CRO provides extensive reporting on the risks through the CRO report on a monthly basis, including extensive detail on each of the principal risks and details of mitigants/controls and management actions in place to address areas of concern. It also presents the Group's risk profile against its risk appetite.
Point (c) of Article 435(1) CRR	(e)	Disclose information on the main features of risk disclosure and measurement systems.	The risk strategy, articulated through the annual risk plan and the risk objectives, is a key element of the Board's understanding of how risk is to be managed in the short, medium and long term. The Group has a set of strategic risk objectives which support the delivery of the Group's strategy, with a specific focus on the Risk and Capital pillar. The key processes which support the Group's approach to risk management are set out below: •Identification and assessment: through various assessments and processes including analysis and testing across material risks; •Measurement and management: management selects an appropriate risk response: avoiding, accepting, reducing, or sharing risk and develops a set of management actions. These actions are activities initiated to improve management of specific risks or in response to a risk event; •Monitoring, escalating and reporting : the continuous monitoring of risks to ensure that the key risks remain within risk appetite; and •Testing and assurance : an objective examination of evidence for the purpose of providing an independent assessment of governance, risk management and control processes for the Group in relation to all risk types. Identification and assessment Risk is identified and assessed in the Group through a combination of the following: •Material risk assessment; •Risk and control assessments; •Setting risk appetite on at least an annual basis; •Annual Financial Plan; •Quarterly Stress testing; •Annual Internal Capital Adequacy Assessment Process ("ICAAP"); •Annual Internal Liquidity Adequacy Assessment Process ("ILAAP"); •Recovery and resolution planning.

Material risk assessment
The material risk assessment is a top down process performed on an at least annual basis for the Group which identifies the key principal risks. This assessment takes into account the Group's strategic objectives and incorporates both internal and external risk information. The Board Risk Committee is responsible for the annual approval of the Group material risk assessment whilst the Group Risk Committee is responsible for the annual review of the Group material risk assessment.

Risk and control assessments
The first line of defence is responsible for ensuring that detailed bottom up risk and control assessments are undertaken for all businesses or business processes falling under their responsibility. These assessments are performed regularly and whenever there is a material change in organisation, business processes or business environment.

Setting risk appetite
The CRO proposes and the Board approves the risk appetite for the Group informed by the material risk assessment and risk posture. Risk appetite is the nature and extent of risk that the Group is willing to take, accept, or tolerate in pursuit of its business objectives and strategy. It also informs
the Group's strategy, and as part of the Risk Management Framework, is a boundary condition to strategy and guides the Group in its risk taking and related business activities. The financial plan is tested to ensure it is within the risk appetite.

The Group Risk Appetite Statement is an articulation of the Group's appetite for, and tolerance of risk expressed through qualitative statements and quantitative limits and thresholds. The Group Risk Appetite Statement seeks to encourage appropriate risk taking to ensure that risks are consistent with the Group strategy and risk appetite. The Group Risk Appetite Statement cascades into key business segments with separate Risk Appetite Statements for each licenced subsidiary reflecting the risk appetite of the subsidiary as a standalone entity.

Annual Financial Plan
The financial plan is integral to how the Group manages its business and monitors performance. It informs the delivery of the Group's strategy and is reviewed and challenged by the Risk function to ensure that it is within the Group's risk appetite. It enables realistic business objectives to be set for management, identifies accountability in the Group's delivery of planning targets and identifies the risks to the delivery of the Group's strategic goals and the mitigants of those risks. The plan is produced under a base scenario and assessed under a range of alternative scenarios. This assessment forms the basis for consideration of business model risk and internal capital adequacy.

Risk Strategy - Continued

Internal Capital Adequacy Assessment Process ("ICAAP")
It is the Group's policy to maintain adequate capital resources at all times, having regard to the nature and scale of its business and the risks arising from its operations. The Internal Capital Adequacy Assessment Process ("ICAAP") is the process by which the Group performs a formal and rigorous assessment of its balance sheet, business plans, risk profile and risk management processes to determine whether it holds adequate capital resources to meet both internal objectives and external regulatory requirements. Multiple scenarios are considered for each ICAAP including both systemic and idiosyncratic stress tests ranging from moderate to extreme and are applied to the Group's material risks as identified through its material risk assessment. The stress time horizon of three years is aligned with the planning horizon.

Internal Liquidity Adequacy Assessment Process ("ILAAP")
The Internal Liquidity Adequacy Assessment Process ("ILAAP") is the process by which the Group performs a formal and rigorous assessment of its balance sheet, business plans, risk profile and risk management processes to determine whether it holds sufficient financial resources of appropriate quality to meet both internal objectives and external regulatory requirements. Multiple scenarios are considered for each ILAAP including both firm specific and systemic risk events and a combination of both to ensure the continued stability of the Group's liquidity position within the Group's pre-defined liquidity risk tolerance levels. The stress time horizon of three years is aligned with the planning horizon.

Recovery planning
The Group's recovery plan sets out the arrangements and measures that the Group could adopt in the event of severe financial stress to restore the Group to long term viability. A suite of indicators and options are included in the Group's recovery plan, which together presents the identification of stress events and the tangible mitigating actions available to the Group to restore viability.

Resolution planning

Resolution is the restructuring of a bank by a resolution authority that has failed or is likely to fail, through the use of resolution tools in order to:

-safeguard the public interest;
-ensure the continuity of the Group’s critical functions;
-ensure financial stability in the economy in which it operates; and
-minimise costs to taxpayers.

The Group is under the remit of the Single Resolution Board (“SRB”) due to its systemic importance. The SRB, in cooperation with the National Resolution Authorities, (Central Bank of Ireland for Ireland and Bank of England for the UK) draft the resolution plan for the Group. The resolution plan describes the Preferred Resolution Strategy (“PRS”), in addition to ensuring the continuity of the Group’s critical functions and the identification and addressing of any impediments to the Group’s resolvability.

The PRS for the Group is a single point of entry bail-in via AIB Group plc. The resolution authorities set the loss absorbing capacity requirements for Minimum Requirements for own funds and Eligible Liabilities (MREL) which the bank must at all times comply with, in addition to any work programmes required to mitigate any perceived impediments to resolvability. Senior management are responsible for implementing the measures that are needed to ensure the Group’s resolvability and there are a number of governance fora such as subject matter working groups and Resolution Steering Committee that provides governance and oversight around resolution planning. Key deliverables to the SRB are approved by Resolution Steering Committee, GRC/ExCo (Group and UK) and Board (Group and UK).

Risk Strategy - Continued

Measurement and management

Risk measurement

Each of the material risks has a specific approach to how the risk is measured. The Group Risk Appetite Statement and the separate risk appetite statements for the business segments and licensed subsidiaries contain metrics which are measured on a monthly basis against the limits set.

Risk management

The material risk types are actively managed and measured against their respective frameworks, policies and processes on an ongoing basis. Risk models are used to measure credit, market, liquidity and funding risk, and where appropriate, capital is allocated (taking account of risk concentrations) to mitigate material risks. The management and measurement of the Group’s risk profile also informs the Group’s strategic and operational planning processes. Any deviations to risk appetite are escalated through appropriate governance, with management actions to address where possible.

Monitoring, escalating and reporting

The Group has designed risk appetite statement metrics for each of its material risk categories. Material risks are actively monitored under their respective frameworks and policies to ensure material risks are managed effectively in line with the Group’s Risk Management Framework and Risk Appetite Statement. The Risk Appetite Policy sets out the process for the escalation of the relevant risk appetite statement limit breaches. On a regular basis, the CRO reports actual performance against risk appetite statements to the Board Risk Committee and material breaches of risk appetite are reported to the Board and the Group’s regulator.

Testing and assurance

The Group has implemented testing and assurance activities with the objective to provide assurance to the Board, and its delegated sub-committees on the design and operating effectiveness of the control environment within the Group. The material risk types are continuously tested and assured in line with the Group assurance methodology, which distinguishes between risk management, risk control and risk assurance. Each line of defence is responsible for preparing business controls testing plans with consideration of the adequacy of the risk identified and the design and effectiveness of the controls in place. The integrated assurance is the alignment of governance, risk and assurance activities, linked with the Group’s strategy with the objective to provide better co-ordinated efforts, risk reporting, and to continuously improve performance and resilience.

Point (a) of Article 435(1) CRR	(f)	Strategies and processes to manage risks for each separate category of risk.	Stress testing Stress testing is recognised as a key risk management process by the Group. It seeks to ensure that risk assessment is dynamic and forward looking, and considers not only existing risks but also potential and emerging threats. Stress test methodologies are developed to assess the material risks identified in the material risk assessment process. The Group undertakes stress testing on all the Group's exposures including loans and receivables, the investment securities book, equity investments and other exposures related to our Treasury business and the macroeconomic scenarios used for planning and internal stress testing purposes are reviewed by the Asset and Liability Committee (ALCo) and by the Board Risk Committee. The Group's stress testing programme embraces a range of forward looking stress tests and takes all the Group's material risks into account. These include: •ICAAP stress testing undertaken on an annual basis in support of the Internal Capital Adequacy Assessment Process and is integrated with the Group's annual financial planning process. This aims to highlight the key vulnerabilities of the Group and inform potential future capital needs including capital buffers, in excess of minimum regulatory capital requirements and internal capital requirements under both base and stressed conditions over the planning horizon. Multiple scenarios are considered for each ICAAP including both systemic and idiosyncratic stress tests ranging from moderate to extreme and are applied to the Group's material risks as identified through its MRA. The time horizon of 3 years is aligned with the planning horizon. •Internal capital stress tests on all the material risks of the Group. These consider the implications of a severe shock across the Group's material risks and additional supporting scenarios as deemed appropriate. In addition, an annual stress test is performed at a portfolio level on the Group's portfolio of leverage loans; •Annual ILAAP stress testing applied to the funding and liquidity plan to formally assess the Group's liquidity risks; •Reverse stress testing undertaken at least annually to explore the vulnerabilities of the Group's strategies and plans in extreme adverse events that would cause the Group to fail. The Group will adopt an action plan to prevent and mitigate in the strategic plans; •Ad hoc stress testing Idiosyncratic or deep dive analysis on key core portfolios as required, of emerging risks identified from the material risk assessment process and as well as in response to regulatory requests; and •Sensitivity analysis assesses the marginal impact of an incremental change in one risk parameter on the Group's capital and liquidity position. Sensitivity analysis on the key risk drivers are included in the annual ICAAP and ILAAP and in other stress tests as required. Stress Testing Methodology Across all of the Group's material risks, the methodology will be an appropriate blend of model based and expert judgement approaches. Assumptions and outputs are reviewed by impacted businesses and central functions and by Risk to ensure they are plausible and intuitive. All models used in the stress testing process are subject to model validation as per the Group's Model Risk Management Framework. The stress tests must comply with all regulatory requirements, achieved through the comprehensive review and challenge of macroeconomic scenarios and stress test outcomes, and the ongoing validation of stress testing models.
Points (a) and (d) of Article 435(1) CRR	(g)	Information on the strategies and processes to manage, hedge and mitigate risks, as well as on the monitoring of the effectiveness of hedges and mitigants.	When a financial instrument is designated as a hedge, the Group formally documents the relationship between the hedging instrument and hedged item as well as its risk management objectives and its strategy for undertaking the various hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of the hedged items The Group discontinues hedge accounting when: a) it is determined that a derivative is not, or has ceased to be, highly effective as a hedge; b) the derivative expires, or is sold, terminated, or exercised; c) the hedged item matures or is sold or repaid; or d) a forecast transaction is no longer deemed highly probable. To the extent that the changes in the fair value of the hedging derivative differ from changes in the fair value of the hedged risk in the hedged item, or the cumulative change in the fair value of the hedging derivative differs from the cumulative change in the fair value of expected future cash flows of the hedged item, ineffectiveness arises. The amount of ineffectiveness, (taking into account the timing of the expected cash flows, where relevant) provided it is not so great as to disqualify the entire hedge for hedge accounting, is recorded in the income statement. A Structural Interest rate Hedging Programme is used by AIB to ensure a stable Net Interest Income on the Group's free funds. The first line of defence makes proposals to ALCo on how this interest rate management strategy should be effected, outlining the expected net interest income impacts. The second line provide an accompanying review and challenge to ALCo. The perceived strength of a borrower's repayment capacity is the primary factor in granting a loan. The Group uses various approaches to help mitigate risks relating to individual credits, including transaction

			structure, collateral and guarantees. Collateral and/or guarantees are usually required as a secondary source of repayment in the event of a borrower's default. At a portfolio level, credit risk is assessed in relation to the degree of name, sector and geographic concentration. Changes in concentrations are tracked on a regular basis across the Group's loan portfolio. Where potential risk concentrations are identified, the risk capital implications are assessed and, where appropriate, risk mitigation options (e.g. disposals, securitisations, hedging strategies) are considered. Credit policy and credit management standards are controlled and set centrally by the credit risk function. Occasionally, credit derivatives are purchased to hedge credit risk. Current levels are minimal and their use is subject to the normal credit approval process. The Group enters into netting agreements for derivatives with certain counterparties, to ensure that in the event of default, all amounts outstanding with those counterparties will be settled on a net basis. Derivative transactions with wholesale counterparties are typically collateralised under a Credit Support Annex in conjunction with the International Swaps and Derivatives Association ("ISDA") Master Agreement. The Group also has in place an Interbank Exposure Policy which establishes the maximum exposure for each counterparty bank, depending on credit rating. Each bank is assessed for the appropriate maximum exposure limit in line with the policy. Risk generating business units in each segment are required to have an approved bank or country limit prior to granting any credit facility, or approving any credit obligation or commitment which has the potential to create interbank or country exposure.

5: Table EU OVB - Disclosure on governance arrangements

As per Article 435(2) the following table provides information on the Group's governance arrangements.

Legal basis	Row number	Qualitative information	
Article 435(2) CRR		Governance arrangements.	The Group's governance framework underpins effective decision-making and accountability. It is the basis on which the Group conducts its business and engages with customers and other stakeholders. It ensures that organisational and control arrangements are appropriate for the governance of the Group's strategy and operations and the mitigation of related material risks. This framework encompasses AIB Group plc and its subsidiaries (collectively referred to as "AIB Group" or the "Group"). The Group's corporate governance practices meet the statutory and regulatory obligations that apply to the Group, including various corporate governance codes, regulations and best practice standards and guidelines, Irish company law, the listing rules of the main securities market of the Euronext Dublin and the London Stock Exchange, the UK Corporate Governance Code 2018, and, for the UK business, UK company law. The Group's governance arrangements include a Board of Directors of sufficient size and expertise, the majority of whom are Independent Non-Executive Directors, to oversee the operations of the Group. At 31 December 2021, the Board consisted of the Chair, who was deemed independent on appointment, thirteen Independent Non-Executive Directors and two Executive Directors, being the Chief Executive Officer and the Chief Financial Officer. The Group is headed by an effective Board which is collectively responsible for the long term, sustainable success of the Group, generating value for shareholders and contributing to wider society. The Board, including the Chief Executive Officer, is supported by the Executive Committee, being the most senior management committee of the Group. The Executive Committee has primary responsibility for the day-to-day operations of, and the development of strategy for, the Group. The Board supports, and strives to operate in accordance with, the Group's purpose and values at all times and challenges Management as to whether the purpose, values and strategic direction of the Group align with its desired culture, or if they do not, whether there are options to mitigate negative stakeholder impacts. The Board ensures a clear division of responsibilities between the Chair, who is responsible for the overall leadership of the Board and for ensuring its effectiveness, and the CEO, who manages and leads the business. The governance framework and organisational structure is sufficient to ensure that no one individual has unfettered powers of decision or exercises excessive influence. Key roles and responsibilities are clearly defined, documented and communicated to key stakeholders via the Group's website (www.aib.ie/investorrelations). Whilst arrangements have been made by the Directors for the delegation of the management, organisation and administration of the Group's affairs, certain matters are reserved specifically for decision by the Board. These matters are reviewed at least annually to ensure that they remain relevant and are available on the Group's website (www.aib.ie/investorrelations). The Board is assisted in the discharge of its duties by a number of Board and Advisory Committees, whose purpose is to consider, in greater depth than would be practicable at Board meetings, matters for which the Board retains responsibility. The Board has established a Board Risk Committee, Board Audit Committee, Nomination and Corporate Governance Committee and Remuneration Committee comprised of Non-Executive Directors. In addition to the four main Board Committees, the Board has a Sustainable Business Advisory Committee and a Technology and Data Advisory Committee. Each of the advisory committees comprise of Non-Executive Directors and members of senior management from relevant business areas. Each Committee operates under terms of reference approved by the Board. The term management body is frequently used in relevant European Banking Authority guidelines and in AIB Group is understood to be the Board of Directors and the Board Committees.

Point (a) of Article 435(2) CRR	(a)	The number of directorships held by members of the management body.	The Directors of the Board hold a number of directorships which comply with Regulation 79 of S.I. 158/2014 (European Union (Capital Requirements) Regulations 2014). This regulation prescribes limits on the number and nature of directorships permitted to be held by members of the management bodies of significant institutions. The number of directorships (as defined in S.I. 158/2014) held by members of the Board as at 31 December 2021 is listed below. Andy Maguire - 4 Non-Executive Directorships Anik Chaumartin - 3 Non-Executive Directorships Ann O'Brien - 2 Non-Executive Directorships Basil Geoghegan - 2 Non-Executive Directorships Brendan McDonagh - 3 Non-Executive Directorships Carolan Lennon - 1 Executive Directorship and 1 Non-Executive Directorship Colin Hunt - 1 Executive Directorship Donal Galvin - 1 Executive Directorship Elaine MacLean - 1 Non-Executive Directorship Fergal O'Dwyer - 3 Non-Executive Directorships Helen Normoyle - 1 Executive Directorship and 1 Non-Executive Directorship Jan Sijbrand - 2 Non-Executive Directorships Jim Pettigrew - 2 Non-Executive Directorships Raj Singh - 3 Non-Executive Directorships Sandy Kinney Pritchard - 2 Non-Executive Directorships Tanya Horgan - 1 Non-Executive Directorship
Point (b) of Article 435(2) CRR	(b)	Information regarding the recruitment policy for the selection of members of the management body and their actual knowledge, skills and expertise.	The review of the appropriateness of the composition of the Board and Board Committees is a continuous process, and recommendations are made based on merit and objective criteria, having regard to the collective skills, experience, independence and knowledge of the Board along with its diversity requirements. The Board Succession Plan is reviewed alongside the Board Skills Matrix by the Nomination and Corporate Governance Committee at each scheduled meeting to allow for proactive and continuous succession planning and, in turn, the timely commencement of Director search processes. The Board Succession Plan details planned Board composition as well as Board Committee membership, the likely tenure of Non-Executive Directors and upcoming actions to be undertaken. The skills included in the Board Skills Matrix were identified taking into account the Group's strategic priorities and relevant regulatory requirements. Each Non-Executive Director was selected for appointment on the basis of their knowledge, skills and experience which enable them to effectively discharge their duties, ensure the effective governance of the Group, and contribute to its long-term, sustainable success. In addressing appointments to the Board, a role profile for the proposed new Directors is prepared by the Group Company Secretary on the basis of the criteria laid down by the Nomination and Corporate Governance Committee, taking into account the existing skills and expertise of the Board and the anticipated time commitment required. The services of experienced third party professional search firms are retained for Non-Executive Director appointments where required and deemed necessary by the Nomination and Corporate Governance Committee. In all Director selection activity, the Group ensures a formal and rigorous process. Prior to a recommendation for appointment of any given candidate, a comprehensive due diligence process is undertaken, which includes the candidate's self-certification of probity and financial soundness, external checks and enhanced due diligence. The due diligence process enables the Nomination and Corporate Governance Committee to satisfy itself as to the candidate's independence, fitness and probity, and capacity to devote sufficient time to the role. A final recommendation is made to the Board by the Nomination and Corporate Governance Committee. The Relationship Framework specified by the Minister for Finance (the 'Minister'), which governs the relationship between AIB and the Minister, on behalf of the Irish State as shareholder, requires the Group to consult with the Minister before appointing, reappointing or removing the Chair or Chief Executive Officer and in respect of any other proposed Board appointments. A Board-approved Policy is in place for the assessment of the suitability of members of the Board, which outlines the Board appointment process, and is in compliance with applicable joint guidelines issued by the European Securities and Markets Authority and the European Banking Authority.

Point (c) of Article 435(2) CRR	(c)	Information on the diversity policy with regard of the members of the management body.	A formal Board Diversity Policy is in place which sets out the approach to diversity on the Board and is available on the Group's website at www.aib.ie/investorrelations. The Nomination and Corporate Governance Committee (the 'Committee') is responsible for developing measurable objectives to effect the implementation of this Policy and for monitoring progress towards achievement of the objectives. The Policy and performance relative to the target is reviewed annually by the Committee, in conjunction with Board succession and skills planning, and any proposed changes to the Policy are presented to the Board for approval. In 2021, the Committee reviewed and recommended to the Board that the target in the Policy be increased from 30% to 40% female representation on the Board in recognition of the Group's strong track record and commitment to continued progress. As at 31 December 2021, female representation on the Board stood at 44%, thus exceeding the 40% target set out in the Policy. The Board recognises that diversity in its widest sense is important, is inclusive of all individuals and is focused on ensuring a truly diverse board. The Board embraces the benefits of diversity among its members and through its succession planning is committed to achieving the most appropriate blend and balance of diversity possible over time. In terms of implementation of the Board Diversity Policy, the Committee reviews and assesses the Group Board composition and has responsibility for leading the process for identifying and nominating, for approval by the Board, candidates for appointment as Directors. In reviewing the Board composition, balance and appointments, the Committee considers candidates on merit against objective criteria and with due regard for the benefits of diversity, in order to maintain an appropriate range and balance of skills, experience and background on the Board and in consideration of the Group's future strategic plans. Where external search firms are engaged to assist in a candidate search, they are requested to aim for a fair representation of both genders to be included in the initial list of potential candidates so the Committee have a balanced list from which to select candidates for interview. All Board succession planning processes during 2021 were conducted in line with the Policy.
Point (d) of Article 435(2) CRR	(d)	Information whether or not the institution has set up a separate risk committee and the frequency of the meetings.	As at 31 December 2021, the Board Risk Committee (the 'Committee') comprised seven Non-Executive Directors all considered by the Board to be independent. The Board has determined that the Committee members have the collective skills and relevant experience to enable the Committee to discharge its responsibilities. The Committee met on thirteen occasions during 2021.
Point (e) Article 435(2) CRR	(e)	Description on the information flow on risk to the management body.	Risk reporting processes are in place for each of the material risks under the relevant risk frameworks and policies. This enables management, governance committees and other stakeholders to oversee the effectiveness of the risk management processes, adherence to risk Policies and to regulatory requirements. Each of the material risks has a specific approach to how the risk is measured. The Group Risk Appetite Statement and the separate risk appetite statements for the licensed subsidiaries contain metrics which are measured on a monthly basis against the limits set. These are reported to Group Risk Committee and Board Risk Committee through the CRO report. The Group has appointed an independent CRO with unrestricted access to the Chair of the Board and BRC. The CRO provides extensive reporting on the risks to the Group through the CRO report on a monthly basis, the CRO report provides extensive detail and assurance on each of the material risks including details of mitigants/controls and management actions in place to address areas of concern. It also presents the Group's risk profile against its risk appetite, which represents the Board's defined position on the amount of risk it is willing for the Group to take in pursuit of its strategic objectives.

Chapter 3. Disclosure of the scope of application

6: Template EU LI1 - Differences between the accounting scope and the scope of prudential consolidation and mapping of financial statement categories with regulatory risk categories

As per Article 436 point (c) the following template shows both the Group's consolidated balance sheet as at 31 December 2021 on an accounting consolidated basis and the Group's consolidated balance sheet under the regulatory scope of consolidation. The difference between the accounting scope of consolidation and the regulatory scope of consolidation is outlined in template EU LI3. Movements in the consolidated balance sheet is outlined in AIB's Annual Financial Report. Trading derivatives are subject to RWEA on both counterparty credit risk and market risk.

		a	b	c	d	e	f	g
				Carrying values of items				
		Carrying values as reported in published financial statements	Carrying values under scope of prudential consolidation	Subject to the credit risk framework	Subject to the CCR framework	Subject to the securitisation framework	Subject to the market risk framework	Not subject to own funds requirements or subject to deduction from own funds
	Breakdown by asset classes according to the balance sheet in the published financial statements							
1	Cash and balances at central banks	42,654	42,654	42,654	-	-	-	-
2	Items in course of collection	44	44	44	-	-	-	-
3	Disposal groups and non-current assets held for sale	8	8	8	-	-	-	-
4	Trading portfolio financial assets	8	8	-	-	-	8	-
5	Derivative financial instruments	882	882	-	882	-	460	-
6	Loans and advances to banks	1,323	1,323	765	558	-	-	-
7	Loans and advances to customers	56,508	56,508	56,495	12	-	-	-
8	Securities financing	3,890	3,890	-	3,890	-	-	-
9	Investment securities	16,972	16,972	15,372	-	1,600	-	-
10	Investments accounted for using the equity method	127	127	127	-	-	-	-
11	Investments in Group undertakings	-	102	102	-	-	-	-
12	Intangible assets	996	891	339	-	-	-	552
13	Property, plant and equipment	631	628	628	-	-	-	-
14	Other assets	483	467	467	-	-	-	-
15	Current taxation	37	38	38	-	-	-	-
16	Deferred tax assets	2,834	2,833	883	-	-	-	1,950
17	Prepayments and accrued income	424	423	423	-	-	-	-
18	Retirement benefit assets	54	54		-	-	-	54
19	**Total assets**	**127,875**	**127,852**	**118,346**	**5,342**	**1,600**	**468**	**2,556**
	Breakdown by liability classes according to the balance sheet in the published financial statements							
1	Deposits by central banks and banks	10,382	10,382	-	41	-	-	10,341
2	Customer accounts	92,866	92,879	-	59	-	-	92,820
3	Securities financing	45	45	-	45	-	-	-
4	Lease liabilities	346	345	-		-	-	345
5	Trading portfolio financial liabilities	2	2	-	-	-	2	-
6	Derivative financial instruments	1,062	1,062	-	1,062	-	517	-
7	Debt securities in issue	5,819	5,819	-	-	-	-	5,819

8	Current taxation	10	10	-	-	-	-	10
9	Deferred tax liabilities	53	49	-	-	-	-	49
10	Retirement benefit liabilities	54	54	-	-	-	-	54
11	Other liabilities	1,235	1,212	-	-	-	-	1,212
12	Accruals and deferred income	284	272	-	-	-	-	272
13	Provisions for liabilities and commitments	501	501	-	-	-	-	501
14	Subordinated liabilities and other capital instruments	1,556	1,556	-	-	-	-	1,556
15	**Total liabilities**	**114,215**	**114,188**	**-**	**1,207**	**-**	**518**	**112,979**

	Equity							
16	Share capital	1,696	1,696	-	-	-	-	1,696
17	Reserves	10,850	10,853	-	-	-	-	10,853
18	Other equity interests	1,115	1,115	-	-	-	-	1,115
19	Non-controlling interests	(1)	(1)	-	-	-	-	(1)
20	**Total equity**	**13,660**	**13,664**	**-**	**-**	**-**	**-**	**13,664**
21	**Total liabilities and equity**	**127,875**	**127,852**	**-**	**1,207**	**-**	**518**	**126,642**

7: Template EU LI2 - Main sources of differences between regulatory exposure amounts and carrying values in financial statements

As per Article 436 point (d) the following template below provides information on the main sources of differences between the financial statements' carrying value amounts and the exposure amounts used for credit risk regulatory framework purposes. There are fundamental technical differences in the basis of calculation between financial statement information based on International Financial Reporting Standards (IFRS) accounting standards and regulatory information based on CRD capital adequacy concepts and rules. This is most relevant for credit risk disclosures. Credit exposure at default ("EAD") under the CRD, is defined as the expected amount of EAD and is estimated under specified regulatory rules.
There are two different types of templates included in this document, those compiled based on accounting standards (sourced from the Group's Annual Financial Report 2021) and those compiled using CRD methodologies. The specific methodology used is indicated where applicable.
Many templates throughout the Group's Pillar 3 disclosures are based on net value under the regulatory scope of consolidation. Net value is the gross carrying value of on and off balance sheet exposures, less allowances / impairments.

		a	b	c	d	e
		Total	Items subject to			
			Credit risk framework	Securitisation framework	CCR framework	Market risk framework
1	**Assets carrying value amount under the scope of regulatory consolidation (as per template EU LI1)**	125,288	118,346	1,600	5,342	468
2	**Liabilities carrying value amount under the regulatory scope of consolidation (as per template EU LI1)**	(1,207)	-	-	(1,207)	(518)
3	**Total net amount under the regulatory scope of consolidation**	124,081	118,346	1,600	4,135	(50)
4	**Off-balance-sheet amounts**	**14,502**	**14,502**	**-**	**-**	
5	*Differences in valuations*	-	-	-	-	
6	*Differences due to different netting rules, other than those already included in row 2*	1,198	-	-	1,198	
7	*Differences due to consideration of provisions*	798	798	-	-	
8	*Differences due to the use of credit risk mitigation techniques (CRMs)*	(2,397)	-	-	(2,397)	
9	*Differences due to credit conversion factors*	(9,995)	(9,995)	-	-	
10	*Differences due to Securitisation with risk transfer*	-	-	-	-	
11	Other differences [1]	417	417	-	-	
12	**Exposure amounts considered for regulatory purposes**	**128,604**	**124,068**	**1,600**	**2,936**	**986**

[1] Other differences include IFRS 9 Transitional adjustment and 3 months projected interest included in Advanced IRB Mortgage Model.

8: Template EU LI3 - Outline of the differences in the scopes of consolidation (entity by entity)

As per Article 436 point (b) the following template provides information on entities which are treated differently under the accounting and regulatory scope of consolidation. In October 2019, Allied Irish Banks, p.l.c. acquired a majority stake in Semeral Limited a holding company for Payzone Ireland. The exposure to holdings in non-financial sector entities are subject to RWEA treatment.

a	b	c	d	e	f	g	h
Name of the entity	Method of accounting consolidation	Method of prudential consolidation					Description of the entity
		Full consolidation	Proportional consolidation	Equity method	Neither consolidated nor deducted	Deducted	
Semeral Limited	*Full consolidation*				X		*Investment holding company*
Payzone Ireland Limited	*Full consolidation*				X		*Technology/payments platform*

9: Table EU LIA - Explanations of differences between accounting and regulatory exposure amounts

As per Article 436, points (b) and (d) the table below provides information on the differences between accounting and regulatory exposure amounts.

Legal basis	Row number	Qualitative information	
Article 436(b) CRR	(a)	Differences between columns (a) and (b) in template EU LI1	The difference between accounting and regulatory exposure amounts is due to entities which are treated differently under the accounting and regulatory scope of consolidation. Semeral Limited a holding company for Payzone Ireland is fully consolidated for accounting purposes. For regulatory purposes the exposure is subject to RWEA treatment as a holding in a non-financial sector entity.
Article 436(d) CRR	(b)	Qualitative information on the main sources of differences between the accounting and regulatory scope of consolidation shown in template EU LI2	The main sources of differences between the accounting and regulatory scope of consolidation shown in template EU LI2 are off balance sheet amounts, mainly netting, consideration of provisions, use of credit risk mitigation techniques, credit conversion factors and IFRS9 transitional adjustment.

10: Table EU LIB - Other qualitative information on the scope of application

As per Article 436, points (f), (g) and (h) the table below provides information on the scope of application.

Legal basis	Row number	Qualitative information	
Article 436(f) CRR	(a)	Impediment to the prompt transfer of own funds or to the repayment of liabilities within the group	Allied Irish Banks, p.l.c. is the parent company of a number of licensed subsidiary banks which are subject to individual capital adequacy requirements. Each of the licensed subsidiaries are subject to minimum capital requirements imposed by their individual regulators. In order to maintain capital and/or liquidity ratios at or above the levels set down by their regulators, the licensed subsidiaries are unable to remit capital to the parent when to do so would result in such ratios being breached.
Article 436(g) CRR	(b)	Subsidiaries not included in the consolidation with own funds less than required	Not applicable, AIB has no subsidiaries not included in consolidation with own funds less than required.
Article 436(h) CRR	(c)	Use of derogation referred to in Article 7 CRR or individual consolidation method laid down in Article 9 CRR	AIB does not apply the derogation referred to in Article 7 The Central Bank of Ireland has adopted the national discretion under Article 9 of CRR concerning the ability of institutions to include certain subsidiaries in their individual regulatory returns. This treatment, termed 'solo consolidation', in effect, treats such subsidiaries as if they were branches of the parent rather than separate entities in their own right. There are certain criteria that must be met before the Central Bank will approve the inclusion of non-authorised subsidiaries in the 'solo consolidation'. Allied Irish Banks, p.l.c. has approval to prepare regulatory returns on a solo consolidation basis.
Article 436(g) CRR	(d)	Aggregate amount by which the actual own funds are less than required in all subsidiaries that are not included in the consolidation	Not applicable, AIB has no subsidiaries not included in consolidation with own funds less than required.

11: Template EU PV1 - Prudent valuation adjustments (PVA)

As per Article 436 point (e) the template below provides

The general idea of Prudential Valuations (PV) is for banks to consider an additional valuation adjustment on top of their reported fair values, for prudential purposes. PVA captures valuation uncertainty. AIB use the Core approach for PVA measurement. The table below provides a granular breakdown of the Prudent Valuation Adjustment (PVA). PVA is a Common Equity Tier 1 capital deduction. CRR Articles 34 & 105 define regulatory principles that are applied to all fair valued assets and liabilities in order to determine a prudent valuation. The Prudent Valuation Adjustment (PVA) is the difference between the financial statement fair valuation and the prudent valuation.

		a	b	c	d	e	EU e1	EU e2	f	g	h
		Risk category					Category level AVA - Valuation uncertainty		**Total category level post-diversification**		
	Category level AVA	Equity	Interest Rates	Foreign exchange	Credit	Commodities	Unearned credit spreads AVA	Investment and funding costs AVA		Of which: Total core approach in the trading book	Of which: Total core approach in the banking book
1	Market price uncertainty	2			12		23	5	21	14	7
2	Not applicable										
3	Close-out cost		2						2		2
4	Concentrated positions	1			0				1		1
5	Early termination										
6	Model risk										
7	Operational risk	0	0		4				4	3	2
8	Not applicable										
9	Not applicable										
10	Future administrative costs										
11	Not applicable										
12	**Total Additional Valuation Adjustments (AVAs)**								**28**	**17**	**12**

Notes:

Blank cells mean that the particular category is not applicable currently.

Chapter 4. Disclosure of own funds

12: Template EU CC1 - Composition of regulatory own funds

As per Article 437, points (a), (d), (e) and (f) the following template provides a breakdown of the constituent elements of AIB's transitional own funds. Regulatory adjustments comprise deductions from own funds and prudential filters. It includes a cross reference to the corresponding rows in template EU CC2 to facilitate full reconciliation of accounting and regulatory own funds.

Main movements between December and September 2021 are as follows:
Capital increased mainly due to inclusion of H2 profits (€ 0.4 bn). Credit risk (excluding CCR) increased by € 1.6 bn mainly due to recalibration of IRB models, grade migration, foreign exchange movements and net increase in new business partially offset by loan sales. Counterparty credit risk increased by € 0.1 bn mainly due to increased repurchase transactions. Amounts are broadly flat in the period for securitisations, market risk and operational risk.

All restrictions applied to the calculation of own funds in accordance with CRR. The Group applies an Article 3 deduction of € 136 m at 31 December 2021, which is predominately driven by the application of calendar provisioning to legacy non-performing exposures. 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.

		(a)	(b)
		Amounts	**Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation**
	Common Equity Tier 1 (CET1) capital: instruments and reserves		
1	Capital instruments and the related share premium accounts	1,696	39
	Of which : Ordinary stock	1,696	
2	Retained earnings	12,876	41
3	Accumulated other comprehensive income (and other reserves)	(2,671)	43
EU-3a	Funds for general banking risk	-	
4	Amount of qualifying items referred to in Article 484 (3) CRR and the related share premium accounts subject to phase out from CET1	-	
5	Minority interests (amount allowed in consolidated CET1)	-	
EU-5a	Independently reviewed interim profits net of any foreseeable charge or dividend	518	42
6	**Common Equity Tier 1 (CET1) capital before regulatory adjustments**	**12,419**	
	Common Equity Tier 1 (CET1) capital: regulatory adjustments		
7	Additional value adjustments (negative amount)	(28)	
8	Intangible assets (net of related tax liability) (negative amount)	(552)	12
9	Not applicable		
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38 (3) CRR are met) (negative amount)	(2,801)	17
11	Fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not valued at fair value	(149)	44
12	Negative amounts resulting from the calculation of expected loss amounts	-	
13	Any increase in equity that results from securitised assets (negative amount)	-	
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	-	
15	Defined-benefit pension fund assets (negative amount)	(39)	20
16	Direct, indirect and synthetic holdings by an institution of own CET1 instruments (negative amount)	(0)	
17	Direct, indirect and synthetic holdings of the CET 1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	
18	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	
19	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	
20	Not applicable		
EU-20a	Exposure amount of the following items which qualify for a RW of 1250%, where the institution opts for the deduction alternative	-	
EU-20b	of which: qualifying holdings outside the financial sector (negative amount)	-	
EU-20c	of which: securitisation positions (negative amount)	-	
EU-20d	of which: free deliveries (negative amount)	-	
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met) (negative amount)	-	
22	Amount exceeding the 17.65% threshold (negative amount)	-	

23	of which: direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities	-	
24	Not applicable		
25	of which: deferred tax assets arising from temporary differences	-	
EU-25a	Losses for the current financial year (negative amount)	-	
EU-25b	Foreseeable tax charges relating to CET1 items except where the institution suitably adjusts the amount of CET1 items insofar as such tax charges reduce the amount up to which those items may be used to cover risks or losses (negative amount)	-	
26	Not applicable		
27	Qualifying AT1 deductions that exceed the AT1 items of the institution (negative amount)	-	
27a	Other regulatory adjustments	1,253	
28	**Total regulatory adjustments to Common Equity Tier 1 (CET1)**	**(2,317)**	
29	**Common Equity Tier 1 (CET1) capital**	**10,102**	
Additional Tier 1 (AT1) capital: instruments			
30	Capital instruments and the related share premium accounts	1,115	46
31	of which: classified as equity under applicable accounting standards	1,115	
32	of which: classified as liabilities under applicable accounting standards	-	
33	Amount of qualifying items referred to in Article 484 (4) CRR and the related share premium accounts subject to phase out from AT1	-	
EU-33a	Amount of qualifying items referred to in Article 494a(1) CRR subject to phase out from AT1	-	
EU-33b	Amount of qualifying items referred to in Article 494b(1) CRR subject to phase out from AT1	-	
34	Qualifying Tier 1 capital included in consolidated AT1 capital (including minority interests not included in row 5) issued by subsidiaries and held by third parties	-	
35	of which: instruments issued by subsidiaries subject to phase out	-	
36	**Additional Tier 1 (AT1) capital before regulatory adjustments**	**1,115**	
Additional Tier 1 (AT1) capital: regulatory adjustments			
37	Direct, indirect and synthetic holdings by an institution of own AT1 instruments (negative amount)	-	
38	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	
39	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	
40	Direct, indirect and synthetic holdings by the institution of the AT1 instruments of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	-	
41	Not applicable		
42	Qualifying T2 deductions that exceed the T2 items of the institution (negative amount)	-	
42a	Other regulatory adjustments to AT1 capital	-	
43	**Total regulatory adjustments to Additional Tier 1 (AT1) capital**	**-**	
44	**Additional Tier 1 (AT1) capital**	**1,115**	
45	**Tier 1 capital (T1 = CET1 + AT1)**	**11,217**	
Tier 2 (T2) capital: instruments			
46	Capital instruments and the related share premium accounts	1,500	37
47	Amount of qualifying items referred to in Article 484 (5) CRR and the related share premium accounts subject to phase out from T2 as described in Article 486(4) CRR	-	
EU-47a	Amount of qualifying items referred to in Article 494a (2) CRR subject to phase out from T2	-	
EU-47b	Amount of qualifying items referred to in Article 494b (2) CRR subject to phase out from T2	-	
48	Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties	24	37
49	of which: instruments issued by subsidiaries subject to phase out	(4)	
50	Credit risk adjustments	133	
51	**Tier 2 (T2) capital before regulatory adjustments**	**1,657**	
Tier 2 (T2) capital: regulatory adjustments			
52	Direct, indirect and synthetic holdings by an institution of own T2 instruments and subordinated loans (negative amount)	-	
53	Direct, indirect and synthetic goldings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	
54	Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	

54a	Not applicable		
55	Direct, indirect and synthetic holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	-	
56	Not applicable		
EU-56a	Qualifying eligible liabilities deductions that exceed the eligible liabilities items of the institution (negative amount)	-	
EU-56b	Other regulatory adjustments to T2 capital	(133)	
57	**Total regulatory adjustments to Tier 2 (T2) capital**	**(133)**	
58	**Tier 2 (T2) capital**	**1,524**	
59	**Total capital (TC = T1 + T2)**	**12,741**	
60	**Total Risk exposure amount**	**52,637**	
Capital ratios and requirements including buffers			
61	Common Equity Tier 1 capital	19.19 %	
62	Tier 1 capital	21.31 %	
63	Total capital	24.21 %	
64	Institution CET1 overall capital requirement	10.20 %	
65	of which: capital conservation buffer requirement	2.50 %	
66	of which: countercyclical buffer requirement	0.01 %	
67	of which: systemic risk buffer requirement	- %	
EU-67a	of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer	1.50 %	
EU-67b	of which: additional own funds requirements to address the risks other than the risk of excessive leverage	1.69 %	
68	**Common Equity Tier 1 available to meet buffers (as a percentage of risk exposure amount) available after meeting the minimum capital requirements**	**13.00 %**	
National minima (if different from Basel III)			
69	Not applicable		
70	Not applicable		
71	Not applicable		
Amounts below the thresholds for deduction (before risk weighting)			
72	Direct and indirect holdings of own funds and eligible liabilities of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	66	
73	Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 17.65% thresholds and net of eligible short positions)	145	
74	Not applicable		
75	Deferred tax assets arising from temporary differences (amount below 17,65% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met)	63	
Applicable caps on the inclusion of provisions in Tier 2			
76	Credit risk adjustments included in T2 in respect of exposures subject to standardised approach (prior to the application of the cap)	-	
77	Cap on inclusion of credit risk adjustments in T2 under standardised approach	307	
78	Credit risk adjustments included in T2 in respect of exposures subject to internal ratings-based approach (prior to the application of the cap)	248	
79	Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach	133	
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2014 and 1 Jan 2022)			
80	Current cap on CET1 instruments subject to phase out arrangements	-	
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	-	
82	Current cap on AT1 instruments subject to phase out arrangements	-	
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	-	
84	Current cap on T2 instruments subject to phase out arrangements	-	
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	-	

13: Template EU CC2 - Reconciliation of regulatory own funds to balance sheet in the audited financial statements

As per Article 437 point (a) the following template outlines the differences between the scope of accounting consolidation and the scope of regulatory consolidation, showing the link between AIB's balance sheet in the audited financial statements and the numbers that are used in the composition of own funds disclosure template (EU CC1).

		a	b	c
		Balance sheet as in published financial statements	**Under regulatory scope of consolidation**	**Reference**
		As at period end	**As at period end**	
Assets - Breakdown by asset clases according to the balance sheet in the published financial statements				
1	Cash and balances at central banks	42,654	42,654	
2	Items in course of collection	44	44	
3	Disposal groups and non-current assets held for sale	8	8	
4	Trading portfolio financial assets	8	8	
5	Derivative financial instruments	882	882	
6	Loans and advances to banks	1,323	1,323	
7	Loans and advances to customers	56,508	56,508	
8	Securities financing	3,890	3,890	
9	Investment securities	16,972	16,972	
10	investments accounted for using the equity method	127	127	
11	Intangible assets and goodwill	996	891	
12	*Of which are deducted from Own funds*		552	8
13	Property, plant and equipment	631	628	
14	Other assets	483	467	
15	Current taxation	37	38	
16	Deferred tax assets	2,834	2,833	
17	*Of which are deducted from Own funds*		2,801	10
18	Prepayments and accrued income	424	423	
19	Retirement benefit assets	54	54	
20	*Of which are deducted from Own funds*		39	15
21	Investments in Group undertakings	-	102	
22	**Total assets**	**127,875**	**127,852**	
Liabilities - Breakdown by liability clases according to the balance sheet in the published financial statements				
23	Deposits by central banks and banks	10,382	10,382	
24	Customer accounts	92,866	92,879	
25	Securities financing	45	45	
26	Lease liabilities	346	345	
27	Trading portfolio financial liabilities	2	2	
28	Derivative financial instruments	1,062	1,062	
29	Debt securities in issue	5,819	5,819	
30	Current taxation	10	10	
31	Deferred tax liabilities	53	49	
32	Retirement benefit liabilities	54	54	
33	Other liabilities	1,235	1,213	
34	Accruals and deferred income	284	272	
35	Provisions for liabilities and commitments	501	501	
36	Subordinated liabilities and other capital instruments	1,556	1,556	
37	*Of which are allowable for own funds purposes*		1,524	46, 48
38	**Total liabilities**	**114,215**	**114,189**	
Shareholders' Equity				
39	Share capital	1,696	1,696	1
40	Reserves	10,850	10,853	
41	*Of which Retained earnings*		12,876	2
42	*Of which Current year Profit less foreseeable charges*		518	EU-5a
43	*Of which AOCI and other Reserves*		(2,671)	3
44	*Of which Cash flow hedges deducted from own funds*		149	11
45	**Total shareholders' equity**	**12,546**	**12,549**	
46	Other equity interest	1,115	1,115	30
47	Non-controlling interests	(1)	(1)	
48	**Total equity**	**13,660**	**13,663**	
49	**Total liabilities and equity**	**127,875**	**127,852**	

14: Table EU CCA - Main features of regulatory own funds instruments and eligible liabilities instruments

As per Article 437 points (b) and (c) the following template outlines the main features of Common Equity Tier 1 instruments, Additional Tier 1 instruments and Tier 2 instruments.

	Instrument name	Ordinary shares	€500m callable subordinated step-up floating rate notes due October 2017 (maturity extended to 2035 as a result of the SLO)	£368m subordinated notes due June 2019 (maturity extended to 2035 as a result of the SLO)	£500m subordinated callable fixed/floating rate notes due March 2025 (maturity extended to 2035 as a result of the SLO)	€500m additional tier 1 perpetual contingent temporary write down securities	€500m subordinated tier 2 notes due 2029, callable 2024	€625m additional tier 1 perpetual contingent temporary write down securities	€1,000m subordinated tier 2 notes due 2031, callable 2026
1	Issuer	AIB Group plc	Allied Irish Banks, p.l.c.	Allied Irish Banks, p.l.c.	Allied Irish Banks, p.l.c.	AIB Group plc	AIB Group plc	AIB Group plc	AIB Group plc
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	IE00BF0L3536	XS0232498393	XS0435957682	XS0214107053	XS2056697951	XS2080767010	XS2010031057	XS2230399441
2a	Public or private placement	Public	Public	Public	Public	Public	Public	Public	Public
3	Governing law(s) of the instrument	Irish Law	English Law, with subordination governed by Irish law	English Law, with subordination governed by Irish law	English Law, with subordination governed by Irish law	Irish Law	Irish Law	Irish Law	Irish Law
3a	Contractual recognition of write down and conversion powers of resolution authorities	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Regulatory treatment									
4	Current treatment taking into account, where applicable, transitional CRR rules	Common Equity Tier 1	N/A	Tier 2	Tier 2	Additional Tier 1	Tier 2	Additional Tier 1	Tier 2
5	Post-transitional CRR rules	Common Equity Tier 1	N/A	Tier 2	Tier 2	Additional Tier 1	Tier 2	Additional Tier 1	Tier 2
6	Eligible at solo/(sub-)consolidated/solo&(sub-)consolidated	Group and solo	Group and solo	Group and solo	Group and solo	Group and solo (the external issuance is downstreamed to Allied Irish Banks, p.l.c. in similar format)	Group and solo (the external issuance is downstreamed to Allied Irish Banks, p.l.c. in similar format)	Group and solo (the external issuance is downstreamed to Allied Irish Banks, p.l.c. in similar format)	Group and solo (the external issuance is downstreamed to Allied Irish Banks, p.l.c. in similar format)
7	Instrument type (types to be specified by each jurisdiction)	Ordinary shares	Subordinated notes	Subordinated notes	Subordinated notes	Additional Tier 1	Tier 2	Additional Tier 1	Tier 2
8	Amount recognised in regulatory capital or eligible liabilities (Currency in million, as of most recent reporting date)	€1,696 m	NIL	€23 m	€1 m	€496 m (net of transaction costs)	€500 m	€619 m (net of transaction costs)	€1,000 m
9	Nominal amount of instrument	€1,696 m	€25.5 m	£79 m	£1 m	€500 m	€500 m	€625 m	€1,000 m
EU-9a	Issue price	€0.625 each (current issue price)	99.935	100	99.321	Par	99.58	Par	99.952
EU-9b	Redemption price	Non-redeemable	Nominal amount	Nominal amount	Nominal amount	Par	Par	Par	Par
10	Accounting classification	Shareholders' equity	Liability - amortised cost	Liability - amortised cost	Liability - amortised cost	Equity - other equity interest	Liability - amortised cost	Equity - other equity interest	Liability - amortised cost
11	Original date of issuance	Multiple (ordinary shares)	24/10/2005	25/06/2009	10/03/2005	09/10/2019	19/11/2019	23/06/2020	30/09/2020
12	Perpetual or dated	Perpetual	Dated	Dated	Dated	Perpetual	Dated	Perpetual	Dated
13	Original maturity date	No maturity	24/04/2035	25/06/2035	10/03/2035	No maturity	19/11/2029	No maturity	30/05/2031
14	Issuer call subject to prior supervisory approval	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes

15	Optional call date, contingent call dates and redemption amount	N/A	From interest payment date October 2012	N/A	From interest payment date March 2020	9/10/2024	19/11/2024	23/06/2025	30/05/2026
16	Subsequent call dates, if applicable	N/A	Quarterly thereafter	N/A	Quarterly thereafter	9 October 2024 to First Reset Date (9 April 2025) or any Interest Payment Date thereafter	N/A	23 June 2025 to First Reset Date (23 December 2025) or any Interest Payment Date thereafter	N/A
Coupons / dividends									
17	Fixed or floating dividend/coupon	N/A	N/A	N/A	N/A	Fixed	Fixed	Fixed	Fixed
18	Coupon rate and any related index	N/A	N/A	N/A	N/A	0.0525	0.01875	0.0625	0.02875
19	Existence of a dividend stopper	No	No	No	No	No however payment of coupon on AT1 is fully discretionary	No	No however payment of coupon on AT1 is fully discretionary	No
EU-20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	Fully discretionary	Fully discretionary	Fully discretionary	Fully discretionary	Fully discretionary	Mandatory	Fully discretionary	Mandatory
EU-20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Fully discretionary	Fully discretionary	Fully discretionary	Fully discretionary	Fully discretionary	Mandatory	Fully discretionary	Mandatory
21	Existence of step up or other incentive to redeem	No	No	No	No	No	No	No	No
22	Noncumulative or cumulative	N/A	N/A	N/A	N/A	Non-cumulative	Cumulative	Non-cumulative	Cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
25	If convertible, fully or partially	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
26	If convertible, conversion rate	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
28	If convertible, specify instrument type convertible into	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
29	If convertible, specify issuer of instrument it converts into	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
30	Write-down features	No	No	No	No	Yes	No	Yes	No
31	If write-down, write-down trigger(s)	N/A	N/A	N/A	N/A	If the consolidated CET1 ratio of AIB Group plc. at any time falls below 7% (a trigger event), subject to certain conditions, the AT1 instrument will be written down in whole or in part	N/A	If the consolidated CET1 ratio of AIB Group plc. at any time falls below 7% (a trigger event), subject to certain conditions, the AT1 instrument will be written down in whole or in part	N/A
32	If write-down, full or partial	N/A	N/A	N/A	N/A	Fully or partially	N/A	Fully or partially	N/A
33	If write-down, permanent or temporary	N/A	N/A	N/A	N/A	Temporary	N/A	Temporary	N/A

34	If temporary write-down, description of write-up mechanism	N/A	N/A	N/A	N/A	To the extent permitted in order to comply with regulatory capital and other requirements, AIB Group plc. may at its sole and full discretion reinstate any previously written down amount.	N/A	To the extent permitted in order to comply with regulatory capital and other requirements, AIB Group plc. may at its sole and full discretion reinstate any previously written down amount.	N/A
34a	Type of subordination (only for eligible liabilities)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
EU-34b	Ranking of the instrument in normal insolvency proceedings	1	2	2	2	2	2	2	2
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Most junior Instrument type immediately senior: AT1	Subordinated in right of payment to ordinary creditors, including depositors. Instrument type immediately senior: Senior Non Preferred Notes	Subordinated in right of payment to ordinary creditors, including depositors. Instrument type immediately senior: Senior Non Preferred Notes	Subordinated in right of payment to ordinary creditors, including depositors. Instrument type immediately senior: Senior Non Preferred Notes	The securities, which do not carry voting rights, rank pari passu with holders of other tier 1 instruments (excluding ordinary shares). They rank ahead of the holders of ordinary share capital but junior to the claims of Tier 2 investors and Senior Creditors. Instrument type immediately senior: Dated Subordinated Notes	Senior to Tier 1 instruments and junior to Senior Creditors Instrument type immediately senior: Senior Non Preferred Notes	The securities, which do not carry voting rights, rank pari passu with holders of other tier 1 instruments (excluding ordinary shares). They rank ahead of the holders of ordinary share capital but junior to the claims of Tier 2 investors and Senior Creditors. Instrument type immediately senior: Dated Subordinated Notes	Senior to Tier 1 instruments and junior to Senior Creditors Instrument type immediately senior: Senior Non Preferred Notes
36	Non-compliant transitioned features	No	No	No	No	No	No	No	No
37	If yes, specify non-compliant features	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
37a	Link to the full term and conditions of the intrument (signposting)	1. AIB HoldCo Prospectus	High Court Series 50 ISIN	EMTN.090623 Final Terms	EMTN.050308 Final Terms	€500m additional tier 1 perpetual contingent temporary write down securities	€500m subordinated tier 2 notes due 2029, callable 2024	€625m additional tier 1 perpetual contingent temporary write down securities	€1,000m subordinated tier 2 notes due 2031, callable 2026

15: Template IFRS 9/Article 468-FL - Comparison of institutions' own funds and capital and leverage ratios with and without the application of transitional arrangements for IFRS 9 or analogous ECLs, and with and without the application of the temporary treatment in accordance with Article 468 of the CRR

As per Article 473a and Article 468, the following template shows key metrics as required by the EBA/GL/2020/12 relating to IFRS 9.

On 1 January 2018, IFRS 9 transitional capital arrangements were implemented by Regulation (EU) 2017/2395. AIB elected to apply the transitional arrangements at both consolidated and individual entity levels and will disclose both transitional and fully loaded CET1 ratios until the end of the transitional period. The transitional benefit is phased out over a 5 year period with 95% applicable for 2018; 85% for 2019; 70% for 2020; 50% for 2021; 25% for 2022 with no transitional benefit from 2023 onwards.

The Group also applies the new transitional arrangements as per Regulation (EU) 2020/873 of the European Parliament and of the Council which allows any increase in new expected credit loss provisions on non-credit impaired loans to be fully added back to CET1 from 1 January 2020 to 31 December 2024.

The transitional arrangements, implemented under a modified static approach, allow for transitional relief on the 'day 1' impact on adoption of IFRS 9 (static element) and for the increase between 'day 1' and the reporting date (modified element), subject to eligibility. For the static element, all credit provisions are eligible for transition, whereas for the modified element, credit impaired are excluded.

Separate calculations are performed for standardised and IRB (both foundation and advanced) portfolios, reflecting the different ways these frameworks take account of credit provisions. Under the standardised approach, increases in credit provisions for both the static and the modified elements are eligible for transition. In addition, under the standardised approach the credit provision amount not deducted from CET1 is risk weighted at 100%. Under the IRB approach, for both the static and modified elements, credit provisions are only eligible for transitional relief to the extent that they exceed regulatory expected losses. However, where the credit provision is higher than regulatory expected loss, the excess is added back to tier 2 capital.

The Group is not applying the temporary treatment specified in Article 468. Own funds, capital and leverage ratios reflect the full impact of unrealised gains and losses measured at fair value through other comprehensive income.

Main movements between December and September 2021 are as follows:
- Capital increased since September 2021 mainly due to inclusion of H2 profits.
- RWEA increased since September 2021 mainly due to Credit risk (excluding CCR) which increased by € 1.6 bn mainly due to recalibration of IRB models, grade migration, foreign exchange movements and net increase in new business partially offset by loan sales. Counterparty credit risk increased by € 0.1 bn mainly due to increased repurchase transactions.
- Leverage Ratio has increased due to higher Tier 1 capital somewhat offset by higher exposures.
- The IFRS 9 capital adjustment reduced since September 2021 due to lower non-credit impaired ECLs at December 2021.

		a	b	c	e
		31/12/2021	30/09/2021	30/06/2021	31/12/2020
Available capital (amounts)					
1	CET1 capital (1)	10,102	9,730	9,845	10,047
2	CET1 capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	9,537	9,007	9,125	9,251
2a	CET1 capital as if the temporary treatment of unrealised gains and losses measured at fair value through OCI (other comprehensive income) in accordance with Article 468 of the CRR had not been applied				
3	Tier 1 capital (1)	11,217	10,845	10,961	11,162
4	Tier 1 capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	10,652	10,123	10,240	10,366
4a	Tier 1 capital as if the temporary treatment of unrealised gains and losses measured at fair value through OCI in accordance with Article 468 of the CRR had not been applied				
5	Total capital (1)	12,741	12,368	12,483	12,681
6	Total capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	12,309	11,768	11,886	12,016
6a	Total capital as if the temporary treatment of unrealised gains and losses measured at fair value through OCI in accordance with Article 468 of the CRR had not been applied				
Risk-weighted assets (amounts)					
7	Total risk-weighted assets (1)	52,637	50,999	51,136	53,036
8	Total risk-weighted assets as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	52,358	50,624	50,723	52,579
Capital ratios					
9	CET1 (as a percentage of risk exposure amount)	19.19 %	19.08 %	19.25 %	18.94 %
10	CET1 (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	18.21 %	17.79 %	17.99 %	17.59 %
10a	CET1 (as a percentage of risk exposure amount) as if fair value through OCI the temporary treatment of unrealised gains and losses measured at in accordance with Article 468 of the CRR had not been applied				
11	Tier 1 (as a percentage of risk exposure amount)	21.31 %	21.27 %	21.43 %	21.05 %
12	Tier 1 (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	20.34 %	20.00 %	20.19 %	19.72 %

12a	Tier 1 (as a percentage of risk exposure amount) as if fair value through OCI the temporary treatment of unrealised gains and losses measured at in accordance with Article 468 of the CRR had not been applied				
13	Total capital (as a percentage of risk exposure amount)	24.21 %	24.25 %	24.41 %	23.91 %
14	Total capital (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	23.51 %	23.25 %	23.43 %	22.85 %
14a	Total capital (as a percentage of risk exposure amount) as if the temporary treatment of unrealised gains and losses measured at fair value through OCI in accordance with Article 468 of the CRR had not been applied				
Leverage ratio					
15	Leverage ratio total exposure measure	130,894	128,263	126,522	113,344
16	Leverage ratio	8.57 %	8.46 %	8.66 %	9.85 %
17	Leverage ratio as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	8.18 %	7.94 %	8.15 %	9.22 %
17a	Leverage ratio as if the temporary treatment of unrealised gains and losses measured at fair value through OCI in accordance with Article 468 of the CRR had not been applied				

(1) Transitional CET1, T1 and total capital and RWEAs are calculated applying the IFRS 9 transitional arrangements of the CRR as amended by CRR II applicable as at the reporting date.

Chapter 5. Disclosure of countercyclical capital buffers

16: Template EU CCyB1 - Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer

As per Article 440(a) the following template sets out geographical distribution of credit exposures relevant to the calculation of the countercyclical capital buffer. The template contains an overview of the exposure distribution for all countries.

		a	b	c	d	e	f	g	h	i	j	k	l	m
		General credit exposures		Relevant credit exposures – Market risk				Own fund requirements						
		Exposure value under the standardised approach	Exposure value under the IRB approach	Sum of long and short positions of trading book exposures for SA	Value of trading book exposures for internal models	Securitisation exposures Exposure value for non-trading book	Total exposure value	Relevant credit risk exposures - Credit risk	Relevant credit exposures – Market risk	Relevant credit exposures – Securitisation positions in the non-trading book	Total	Risk-weighted exposure amounts	Own fund requirements weights (%)	Countercyclical buffer rate (%)
10	Breakdown by country:													
	Ireland : 001	23,739	26,876	184	-	706	51,505	2,276	10	48	2,334	29,180	65.50 %	- %
	United Kingdom :	9,595	913	-	-	-	10,509	695	-	-	695	8,682	19.49 %	- %
	Algeria : 003	0	-	-	-	-	0	0	-	-	0	0	0.00 %	- %
	Andorra : 004	0	-	-	-	-	0	0	-	-	0	0	0.00 %	- %
	Argentina : 005	0	-	-	-	-	0	0	-	-	0	0	0.00 %	- %
	Australia : 006	12	31	-	-	-	43	3	-	-	3	43	0.10 %	- %
	Austria : 007	0	3	-	-	-	3	0	-	-	0	4	0.01 %	- %
	Bahamas : 008	33	-	-	-	-	33	3	-	-	3	33	0.07 %	- %
	Bahrain : 009	0	0	-	-	-	0	0	-	-	0	0	0.00 %	- %
	Bangladesh : 010	0	-	-	-	-	0	0	-	-	0	0	0.00 %	- %
	Belgium : 011	1	48	-	-	-	49	5	-	-	5	60	0.13 %	- %
	Bermuda : 012	0	-	-	-	-	0	0	-	-	0	0	0.00 %	- %
	Bosnia And Herzegovina : 013	0	-	-	-	-	0	0	-	-	0	0	0.00 %	- %
	Brazil : 014	0	0	-	-	-	0	0	-	-	0	0	0.00 %	- %
	Brunei Darussalam : 015	0	-	-	-	-	0	0	-	-	0	0	0.00 %	- %
	Bulgaria : 016	0	-	-	-	-	0	0	-	-	0	0	0.00 %	0.50 %
	Canada : 017	5	145	-	-	-	150	14	-	-	14	170	0.38 %	- %
	Cayman Islands :	1	0	-	-	-	1	0	-	-	0	1	0.00 %	- %
	Chile : 019	0	2	-	-	-	2	0	-	-	0	2	0.00 %	- %
	China : 020	0	-	-	-	-	0	0	-	-	0	0	0.00 %	- %
	Colombia : 021	0	-	-	-	-	0	0	-	-	0	0	0.00 %	- %
	Congo, The Democratic	0	-	-	-	-	0	0	-	-	0	0	0.00 %	- %
	Costa Rica : 023	0	-	-	-	-	0	0	-	-	0	0	0.00 %	- %
	Croatia : 024	0	-	-	-	-	0	0	-	-	0	0	0.00 %	- %
	Cyprus : 025	0	-	-	-	-	0	0	-	-	0	0	0.00 %	- %
	Czech Republic :	0	0	-	-	-	0	0	-	-	0	0	0.00 %	0.50 %
	Denmark : 027	17	42	-	-	-	59	5	-	-	5	69	0.15 %	- %
	Egypt : 028	0	-	-	-	-	0	0	-	-	0	0	0.00 %	- %
	Estonia : 029	0	-	-	-	-	0	0	-	-	0	0	0.00 %	- %
	Ethiopia : 030	0	-	-	-	-	0	0	-	-	0	0	0.00 %	- %
	Finland : 031	5	43	-	-	-	47	5	-	-	5	57	0.13 %	- %
	France : 032	257	487	-	-	27	771	57	-	0	57	712	1.60 %	- %
	Gambia : 033	0	0	-	-	-	0	0	-	-	0	0	0.00 %	- %
	Georgia : 034	0	-	-	-	-	0	0	-	-	0	0	0.00 %	- %
	Germany : 035	3	290	-	-	-	292	20	-	-	20	255	0.57 %	- %
	Ghana : 036	0	-	-	-	-	0	0	-	-	0	0	0.00 %	- %
	Gibraltar : 037	0	-	-	-	-	0	0	-	-	0	0	0.00 %	- %
	Greece : 038	0	-	-	-	-	0	0	-	-	0	0	0.00 %	- %
	Guernsey : 039	38	-	-	-	-	38	3	-	-	3	38	0.09 %	- %
	Guinea : 040	0	-	-	-	-	0	0	-	-	0	0	0.00 %	- %
	Holy See (Vatican City State) : 041	0	-	-	-	-	0	0	-	-	0	0	0.00 %	- %
	Hong Kong : 042	1	1	-	-	-	2	0	-	-	0	1	0.00 %	1.00 %
	Hungary : 043	0	0	-	-	-	0	0	-	-	0	0	0.00 %	- %
	Iceland : 044	0	-	-	-	-	0	0	-	-	0	0	0.00 %	- %
	India : 045	0	0	-	-	-	1	0	-	-	0	0	0.00 %	- %
	Indonesia : 046	0	-	-	-	-	0	0	-	-	0	0	0.00 %	- %
	Isle Of Man : 047	55	91	-	-	-	147	13	-	-	13	157	0.35 %	- %
	Israel : 048	0	-	-	-	-	0	0	-	-	0	0	0.00 %	- %
	Italy : 049	1	57	-	-	-	58	3	-	-	3	33	0.07 %	- %
	Jamaica : 050	0	-	-	-	-	0	0	-	-	0	0	0.00 %	- %
	Japan : 051	0	1	-	-	-	1	0	-	-	0	1	0.00 %	- %
	Jersey : 052	120	1	-	-	-	121	9	-	-	9	116	0.26 %	- %
	Kenya : 053	0	0	-	-	-	0	0	-	-	0	0	0.00 %	- %
	Korea, Republic Of : 054	0	-	-	-	-	0	0	-	-	0	0	0.00 %	- %
	Kuwait : 055	0	0	-	-	-	0	0	-	-	0	0	0.00 %	- %
	Latvia : 056	0	-	-	-	-	0	0	-	-	0	0	0.00 %	- %
	Liberia : 057	0	-	-	-	-	0	0	-	-	0	0	0.00 %	- %
	Liechtenstein : 058	0	-	-	-	-	0	0	-	-	0	0	0.00 %	- %
	Lithuania : 059	0	-	-	-	-	0	0	-	-	0	0	0.00 %	- %
	Luxembourg : 060	326	563	-	-	-	889	74	-	-	74	921	2.07 %	0.50 %
	Macao : 061	0	-	-	-	-	0	0	-	-	0	0	0.00 %	- %
	Malaysia : 062	0	0	-	-	-	1	0	-	-	0	0	0.00 %	- %
	Malta : 063	0	-	-	-	-	0	0	-	-	0	0	0.00 %	- %
	Marshall Islands :	0	-	-	-	-	0	0	-	-	0	0	0.00 %	- %
	Mauritius : 065	0	-	-	-	-	0	0	-	-	0	0	0.00 %	- %
	Mayotte : 066	0	-	-	-	-	0	0	-	-	0	0	0.00 %	- %
	Mexico : 067	0	-	-	-	-	0	0	-	-	0	0	0.00 %	- %
	Monaco : 068	1	-	-	-	-	1	0	-	-	0	0	0.00 %	- %
	Montserrat : 069	0	-	-	-	-	0	0	-	-	0	0	0.00 %	- %
	Morocco : 070	0	-	-	-	-	0	0	-	-	0	0	0.00 %	- %
	Netherlands : 071	91	340	-	-	97	528	41	-	9	50	630	1.42 %	- %
	New Zealand : 072	1	-	-	-	-	1	0	-	-	0	1	0.00 %	- %
	Nicaragua : 073	0	0	-	-	-	0	0	-	-	0	0	0.00 %	- %
	Norway : 074	0	44	-	-	-	45	3	-	-	3	40	0.09 %	1.00 %
	Oman : 075	0	-	-	-	-	0	0	-	-	0	0	0.00 %	- %
	Pakistan : 076	0	0	-	-	-	0	0	-	-	0	0	0.00 %	- %
	Panama : 077	0	-	-	-	-	0	0	-	-	0	0	0.00 %	- %
	Paraguay : 078	0	-	-	-	-	0	0	-	-	0	0	0.00 %	- %
	Peru : 079	0	-	-	-	-	0	0	-	-	0	0	0.00 %	- %
	Philippines : 080	0	-	-	-	-	0	0	-	-	0	0	0.00 %	- %
	Poland : 081	8	0	-	-	-	8	1	-	-	1	11	0.03 %	- %
	Portugal : 082	1	62	-	-	-	63	5	-	-	5	58	0.13 %	- %
	Puerto Rico : 083	0	-	-	-	-	0	0	-	-	0	0	0.00 %	- %
	Qatar : 084	0	-	-	-	-	0	0	-	-	0	0	0.00 %	- %
	Romania : 085	0	0	-	-	-	0	0	-	-	0	0	0.00 %	- %
	Russian Federation : 086	0	-	-	-	-	0	0	-	-	0	0	0.00 %	- %
	Saudi Arabia : 087	0	0	-	-	-	0	0	-	-	0	0	0.00 %	- %
	Singapore : 088	2	-	-	-	-	2	0	-	-	0	1	0.00 %	- %
	Slovakia : 089	0	-	-	-	-	0	0	-	-	0	0	0.00 %	1.00 %

	Slovenia : 090	0	-	-	-	-	0	0	-	-	0	0	0.00 %	- %
	South Africa : 091	0	0	-	-	-	0	0	-	-	0	0	0.00 %	- %
	Spain : 092	27	216	-	-	-	243	16	-	-	16	204	0.46 %	- %
	Sri Lanka : 093	0	-	-	-	-	0	0	-	-	0	0	0.00 %	- %
	Sweden : 094	0	67	-	-	-	67	5	-	-	5	63	0.14 %	- %
	Switzerland : 095	4	87	-	-	-	91	8	-	-	8	94	0.21 %	- %
	Taiwan, Province Of China : 096	0	-	-	-	-	0	0	-	-	0	0	0.00 %	- %
	Thailand : 097	0	-	-	-	-	0	0	-	-	0	0	0.00 %	- %
	Turkey : 098	-	0	-	-	-	0	0	-	-	0	0	0.00 %	- %
	Uganda : 099	0	-	-	-	-	0	0	-	-	0	0	0.00 %	- %
	Ukraine : 100	0	-	-	-	-	0	0	-	-	0	0	0.00 %	- %
	United Arab Emirates : 101	1	1	-	-	-	1	0	-	-	0	1	0.00 %	- %
	United States : 102	145	2,176	-	-	770	3,091	220	-	12	232	2,903	6.52 %	- %
	Venezuela, Bolivarian Republic	0	-	-	-	-	0	0	-	-	0	0	0.00 %	- %
	Virgin Islands, British : 104	6	-	-	-	-	6	1	-	-	1	8	0.02 %	- %
	Yemen : 105	0	-	-	-	-	0	0	-	-	0	0	0.00 %	- %
	Zambia : 106	0	-	-	-	-	0	0	-	-	0	0	0.00 %	- %
	Zimbabwe : 107	0	0	-	-	-	0	0	-	-	0	0	0.00 %	- %
20	Total	34,498	32,589	184	-	1,600	68,871	3,485	10	70	3,564	44,551	100.00 %	

17: Template EU CCyB2 - Amount of institution-specific countercyclical capital buffer

As per Article 440 point (b) the following template provides the additional countercyclical capital buffer requirement.

There has been no material change in the countercyclical buffer rate between December 2021 and June 2021.

		a
1	Total risk exposure amount	52,637
2	Institution specific countercyclical capital buffer rate	0.01 %
3	Institution specific countercyclical capital buffer requirement	6

Chapter 6. Disclosure of the leverage ratio

18: Template EU LR1 - LRSum: Summary reconciliation of accounting assets and leverage ratio exposures

As per Article 451(1) point (b) the following template provides a reconciliation of the total assets in AIB published financial statements under IFRS and the total leverage exposure. The template includes a breakdown of all adjustments that lead from the total assets as published in the financial statements to the Leverage Ratio (LR) exposure measure on a transitional basis, some of these adjustments are new under CRR2.

The total assets movement from June to December 2021 is predominantly as a result of the Group's increased placement of excess funding and liquidity position with central banks partially offset by loan sales.

		a
		Applicable amount
1	Total assets as per published financial statements	127,875
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of prudential consolidation [1]	(136)
3	(Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference)	-
4	(Adjustment for temporary exemption of exposures to central banks (if applicable))	-
5	(Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting framework but excluded from the total exposure measure in accordance with point (i) of Article 429a(1) CRR)	-
6	Adjustment for regular-way purchases and sales of financial assets subject to trade date accounting	-
7	Adjustment for eligible cash pooling transactions	-
8	Adjustment for derivative financial instruments	838
9	Adjustment for securities financing transactions (SFTs)	95
10	Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	4,045
11	(Adjustment for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital)	-
EU-11a	(Adjustment for exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) CRR)	-
EU-11b	(Adjustment for exposures excluded from the total exposure measure in accordance with point (j) of Article 429a(1) CRR)	-
12	Other adjustments	(1,824)
13	**Total exposure measure**	**130,894**

[1] This adjustment includes € 23 m relating to entities outside the prudential scope of consolidation and € 112 m relating to negative interest rate accrued interest reflected as assets in the financial balance sheet but aligned in FINREP to the underlying liability instrument.

19: Template EU LR2 - LRCom: Leverage ratio common disclosure

As per Article 451(1), points (a) and (b) and Article 451(3) (taking into account, where applicable, point (c) of Article 451(1) and Article 451(2) CRR), the following template provides a detailed breakdown of the components of the LR denominator, as well as information on the actual LR, minimum requirements and buffers. This information is on a transitional basis.

The total assets movement from June to December 2021 is predominantly as a result of the Group's increased placement of excess funding and liquidity position with central banks partially offset by loan sales. The decrease in derivatives during the period was primarily related to capturing margin for collateralised counterparties without regulatory netting in place at December 2021. The movements in securities financing transactions and off balance sheet relate to increases in underlying business activity. There was an increase in Tier 1 capital mainly due to the inclusion of half year profits. The LR ratio decreased over the half year due to higher exposures partially offset by higher Tier 1 capital.

AIB does not have any promotional loan exposures.

		CRR leverage ratio exposures	
		a	b
		31/12/2021	30/06/2021
	On-balance sheet exposures (excluding derivatives and SFTs)		
1	On-balance sheet items (excluding derivatives, SFTs, but including collateral)	123,167	118,305
2	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the applicable accounting framework	-	-
3	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	-	-
4	Adjustment for securities received under securities financing transactions that are recognised as an asset	-	-
5	(General credit risk adjustments to on-balance sheet items)	-	-
6	(Asset amounts deducted in determining Tier 1 capital)	(2,023)	(1,855)
7	Total on-balance sheet exposures (excluding derivatives and SFTs)	**121,144**	**116,450**
	Derivative exposures		
8	Replacement cost associated with SA-CCR derivatives transactions (ie net of eligible cash variation margin)	1,135	1,473
EU-8a	Derogation for derivatives: replacement costs contribution under the simplified standardised approach	-	-
9	Add-on amounts for potential future exposure associated with SA-CCR derivatives transactions	586	1,093
EU-9a	Derogation for derivatives: Potential future exposure contribution under the simplified standardised approach	-	-
EU-9b	Exposure determined under Original Exposure Method	-	-
10	(Exempted CCP leg of client-cleared trade exposures) (SA-CCR)	-	-
EU-10a	(Exempted CCP leg of client-cleared trade exposures) (simplified standardised approach)	-	-
EU-10b	(Exempted CCP leg of client-cleared trade exposures) (original Exposure Method)	-	-
11	Adjusted effective notional amount of written credit derivatives	-	-
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	-	-
13	**Total derivatives exposures**	**1,720**	**2,566**
	Securities financing transaction (SFT) exposures		
14	Gross SFT assets (with no recognition of netting), after adjustment for sales accounting transactions	7,209	6,358
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	(3,319)	(2,704)
16	Counterparty credit risk exposure for SFT assets	95	89
EU-16a	Derogation for SFTs: Counterparty credit risk exposure in accordance with Articles 429e(5) and 222 CRR	-	-
17	Agent transaction exposures	-	-
EU-17a	(Exempted CCP leg of client-cleared SFT exposure)	-	-
18	**Total securities financing transaction exposures**	**3,985**	**3,743**
	Other off-balance sheet exposures		
19	Off-balance sheet exposures at gross notional amount	14,546	14,024
20	(Adjustments for conversion to credit equivalent amounts)	(10,502)	(10,260)
21	(General provisions deducted in determining Tier 1 capital and specific provisions associated with off-balance sheet exposures)	-	-
22	**Off-balance sheet exposures**	**4,045**	**3,763**
	Excluded exposures		
EU-22a	(Exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) CRR)	-	-
EU-22b	(Exposures exempted in accordance with point (j) of Article 429a (1) CRR (on and off balance sheet))	-	-
EU-22c	(Excluded exposures of public development banks (or units) - Public sector investments)	-	-
EU-22d	(Excluded exposures of public development banks (or units) - Promotional loans): - Promotional loans granted by a public development credit institution - Promotional loans granted by an entity directly set up by the central government, regional governments or local authorities of a Member State - Promotional loans granted by an entity set up by the central government, regional governments or local authorities of a Member State through an intermediate credit institution)	-	-

EU-22e	(Excluded passing-through promotional loan exposures by non-public development banks (or units)): - Promotional loans granted by a public development credit institution - Promotional loans granted by an entity directly set up by the central government, regional governments or local authorities of a Member State - Promotional loans granted by an entity set up by the central government, regional governments or local authorities of a Member State through an intermediate credit institution)	-	-
EU-22f	(Excluded guaranteed parts of exposures arising from export credits)	-	-
EU-22g	(Excluded excess collateral deposited at triparty agents)	-	-
EU-22h	(Excluded CSD related services of CSD/institutions in accordance with point (o) of Article 429a(1) CRR)	-	-
EU-22i	(Excluded CSD related services of designated institutions in accordance with point (p) of Article 429a(1) CRR)	-	-
EU-22j	(Reduction of the exposure value of pre-financing or intermediate loans)	-	-
EU-22k	**(Total exempted exposures)**	-	-
	Capital and total exposure measure		
23	**Tier 1 capital**	11,217	10,961
24	**Total exposure measure**	**130,894**	**126,522**
	Leverage ratio		
25	Leverage ratio	8.57 %	8.66 %
EU-25	Leverage ratio (excluding the impact of the exemption of public sector investments and promotional loans) (%)	8.57 %	8.66 %
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves)	8.57 %	8.66 %
26	Regulatory minimum leverage ratio requirement (%)	3.00 %	3.00 %
EU-26a	Additional own funds requirements to address the risk of excessive leverage (%)	- %	- %
EU-26b	of which: to be made up of CET1 capital	- %	- %
27	Leverage ratio buffer requirement (%)	- %	- %
EU-27a	Overall leverage ratio requirement (%)	3.00 %	3.00 %
	Choice on transitional arrangements and relevant exposures		
EU-27b	Choice on transitional arrangements for the definition of the capital measure	Transitional	Transitional
	Disclosure of mean values		
28	Mean value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	3,757	2,630
29	Quarter-end value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	3,890	3,654
30	Total exposure measure (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	130,760	125,498
30a	Total exposure measure (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	130,760	125,498
31	Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	8.58 %	8.73 %
31a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	8.58 %	8.73 %

20: Template EU LR3 - LRSpl: Split-up of on-balance sheet exposures (excluding derivatives, SFTs and exempted exposures)

As per Article 451(1) point (b) the following template analyses the calculation of the leverage ratio exposures on a transitional basis.

The total assets movement from June to December 2021 is predominantly as a result of the Group's increased placement of excess funding and liquidity position with central banks partially offset by loan sales.

		a
		CRR leverage ratio exposures
EU-1	**Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:**	**123,167**
EU-2	Trading book exposures	-
EU-3	Banking book exposures, of which:	123,167
EU-4	Covered bonds	2,942
EU-5	Exposures treated as sovereigns	51,519
EU-6	Exposures to regional governments, MDB, international organisations and PSE, not treated as sovereigns	5
EU-7	Institutions	3,727
EU-8	Secured by mortgages of immovable properties	33,865
EU-9	Retail exposures	4,389
EU-10	Corporates	16,372
EU-11	Exposures in default	2,208
EU-12	Other exposures (eg equity, securitisations, and other non-credit obligation assets)	8,140

21: Table EU LRA - Disclosure of LR qualitative information

As per Article 435(1), points (d) and (e) the table below provides qualitative information the management of the risk of excessive leverage and factors that had an impact on the leverage ratio during the period.

Row number	Qualitative information	
(a)	Description of the processes used to manage the risk of excessive leverage	As per Article 451(1)(d) the Group ensures the avoidance of excessive leverage through its capital allocation process as part of the annual financial planning process. The use of capital and risk adjusted return on capital by business area is monitored at the Asset & Liability Committee ("ALCo") on a monthly basis, and updates are provided by the CFO to the Board on a quarterly basis. In addition to limits for usage of capital, the ALCo monitors an overall Group leverage risk appetite limit.
(b)	Description of the factors that had an impact on the leverage ratio during the period to which the disclosed leverage ratio refers	As per Article 451(1)(e) the transitional leverage ratio decreased to 8.6% at 31 December 2021 from 8.7% at 30 June 2021. The total assets movement from June to December 2021 is predominantly as a result of the Group's increased placement of excess funding and liquidity position with the central bank partially offset by loan sales. The decrease in derivatives during the period was primarily related to capturing margin for collateralised counterparties without regulatory netting in place at December 2021. The movements in securities financing transactions and off balance sheet relate to increases in underlying business activity. There was an increase in Tier 1 capital mainly due to the inclusion of half year profits. The LR ratio decreased over the half year due to higher exposures partially offset by higher Tier 1 capital.

Chapter 7. Disclosure of liquidity requirements

22: Table EU LIQA - Liquidity risk management

As per Article 435(1) and Article 451a(4) the table below provides information on the Groups liquidity risk management.

Row number		Qualitative Information
(a)	Strategies and processes in the management of the liquidity risk, including policies on diversification in the sources and tenor of planned funding,	• Liquidity and Funding risk is identified and assessed by the Groups material risk assessment (“MRA”) process in support of the Internal Liquidity Adequacy Assessment Process ("ILAAP"). The MRA process is a ‘Top-Down’ assessment performed on at least an annual basis and identifies the key material risks to the Group, taking into account its strategic objectives, in addition to internal and external risk information. • The Group Risk Appetite Statement (“RAS”) is an articulation of the nature and extent of risk that the Group is willing to take, accept or tolerate in pursuit of its business objectives and strategy as set by the Board. The Group’s risk profile is measured against its risk appetite and adherence to the Group RAS is reported on a monthly basis. • The Group RAS consists of series of Level 1 RAS metrics and supporting Level 2 Key Risk Indicators ("KRI's"). Group Level 1 metrics address the key strategic risks to the Group, reflecting business model, size and complexity of the Group and which require oversight by the Board. Group Level 1 metrics are supported by a series of Group Level 2 metrics or Key Risk Indicators (“KRI’s”). Level 2 Group KRIs support Level 1 Group RAS metrics by providing additional breakdown of the key strategic risks. Any breaches of Group Level 1 metric limits or watch triggers are reported to the Board, with breaches of Group Level 1 limits reported to the CBI/JST. Any breaches of Group Level 2 metrics/KRIs are reported to the Board Risk Committee ("BRC"). • The ILAAP is fully integrated and embedded in the strategic, financial and risk management processes of the Group. Embedding of the ILAAP is facilitated through the setting of risk appetite, liquidity and funding planning and the dynamic review thereof in light of key strategic decisions. • The Group has a comprehensive ILAAP Framework for managing the Group’s liquidity risk and complying with the Board’s risk appetite as well as evolving regulatory standards. This is delivered through a combination of policy formation, governance, analysis, stress testing and limit setting and monitoring, and is part of the wider Risk Management Framework. The Funding and Liquidity Risk Policy serves as a key policy document within the ILAAP Framework. • The management of Liquidity and Funding Risk ensures that the Group has robust strategies, policies, processes and systems for the identification, measurement, management and monitoring of liquidity risk, ensure that all significant and emerging risks to the Groups liquidity position are identified and appropriately managed as part of the Material Risk Assessment (MRA) process and maintains sufficient and sustainable financial resources to ensure the Group can meet its commitments as they fall due. • The Funding and Liquidity Risk Policy serves as a key policy document within the ILAAP Framework which outlines the Group’s requirement for a diversified funding profile. This is facilitated through a range of funding concentration limits by which the associated concentration risk if identified and managed. Compliance with these limits is assessed on a forward looking basis as part of the Group’s Funding and Liquidity Plan and under a range of adverse scenarios.
(b)	Structure and organisation of the liquidity risk management function (authority, statute, other arrangements).	• The risk management structure in the Group includes defined lines of authority and accountability, effective processes to identify, manage, monitor and report the risks to which the Group is or might be exposed to. Clear responsibilities for the management of risk are defined across the Group through a three lines of defence model which ensures effective independent oversight and assurance in respect of key decisions. • Under the three lines of defence model, the primary responsibility for risk management lies with the business management who are the first line of defence. The Risk function provides the second line of defence, providing independent oversight, support and challenge to business line managers. The third line of defence is the Group Internal Audit function (“GIA”) which provides independent assurance to the Board Audit Committee on the effectiveness of the system of internal control. • The Group’s Risk Management Framework (RMF) sets out how risk is managed in the Group, it provide the foundations and organisational arrangement for risk management practices, and articulates the integrated approach to risk management within the Group including its licenced subsidiaries. The RMF ensures that all classes of risk are managed in a single consistent and cohesive manner. The Risk Management Framework supports the Group in achieving its strategic ambitions by providing a clear, concise and comprehensive approach to the governance, implementation and embedding of risk management practices. This, in turn, will enable the Group across the Three Lines of Defence (“LOD”), to have a common understanding of the Group’s approach to each stage of the Risk Management life cycle (risk identification, assessment, management, measurement, monitoring, escalation and reporting). • The objective of liquidity management is to ensure that, at all times, the Group holds sufficient funds to meet its contracted and contingent commitments to customers and counterparties at an economic price. The ILAAP framework and supporting Funding and Liquidity risk policy set out the key requirements for managing the risk. These include: ◦Adherence to both internal limits and regulatory defined liquidity ratios including the Liquidity Coverage Ratio (“LCR”) and the Net Stable Funding Ratio (“NSFR”). The LCR is designed to

		Ratio ("LCR") and the Net Stable Funding Ratio ("NSFR"). The LCR is designed to promote short term resilience of the Group's liquidity risk profile by ensuring that it has sufficient high quality liquid resources to survive an acute stress scenario lasting for 30 days. The NSFR has a time horizon of one year and has been developed to promote a sustainable maturity structure of assets and liabilities; ◦Performing a multiyear projection of the Group's funding sources taking into account its baseline scenario, strategy and operational plans as outlined in the Group's Funding and Liquidity Plan. The purpose of this Plan is to set out a comprehensive, forward looking liquidity and funding strategy for the Group including subsidiary companies; ◦Assessing the funding plan under a range of adverse scenarios, the outcomes of which should ensure sufficient liquidity to implement a sustainable strategy even in a stressed environment; ◦Maintaining a Contingency Funding Plan that identifies and quantifies actions that are available to the Group in deteriorating liquidity conditions and emerge from a temporary liquidity crisis as a credit worthy institution; ◦Monitoring a further set of triggers and liquidity options outlined in the Group's Recovery Plan, which presents the actions available to the Group to restore viability in the event of extreme stress; and ◦Having an approved liquidity cost-benefit allocation mechanism in place to attribute funding costs, benefits and risks to the Group's business lines.
(c)	A description of the degree of centralisation of liquidity management and interaction between the group's units	• The Central Bank of Ireland has granted a derogation to the application of liquidity requirements on an individual basis under Article 8 of the CRR for AIB Mortgage Bank u.c. and EBS d.a.c.. Through a Liquidity Management Agreement the respective Boards of these subsidiaries have appointed Allied Irish Banks p.l.c. as their Liquidity Manager (LM). The agreement provides for the free movement of funds between the entities to enable them to meet their individual and joint obligations as they come due. The LM will oversee at all times the consolidated liquidity position of these subsidiaries and the individual liquidity position of each party in order to ensure that the subsidiary has sufficient liquidity. • AIB Group (UK) p.l.c. is a subsidiary regulated by the Prudential Regulation Authority (PRA) and manages funding and liquidity requirements in accordance with UK/EU regulatory requirements and its business objectives.
(d)	Scope and nature of liquidity risk reporting and measurement systems.	• The Group liquidity and funding position is reported regularly to the Finance and Risk functions, Group Asset and Liability Committee ("ALCo"), Group Risk Committee ("GRC") and Board Risk Committee ("BRC"). In addition, the Executive Committee ("ExCo") and the Board are briefed on liquidity and funding on an ongoing basis. • On an annual basis, the Board attests to the Group's liquidity adequacy via the liquidity adequacy statement as part of ILAAP. The Group's ILAAP encompasses all aspects of liquidity and funding management, including planning, analysis, stress testing, control, governance, policy and contingency planning. This document is submitted to the Joint Supervisory Team and forms the basis of their supervisory review and evaluation process. • The information systems used by the Group provides timely and relevant liquidity information that is in line with the nature and complexity of the Group's business. This information monitors compliance with policies, procedures and limits, facilitate monitoring of individual foreign currency exposures and accommodate the performance of appropriate stress testing and scenario analysis.
(e)	Policies for hedging and mitigating the liquidity risk and strategies and processes for monitoring the continuing effectiveness of hedges and mitigants.	• The Funding and Liquidity Risk Policy serves as a key policy document within the ILAAP Framework. The objective of liquidity management is to ensure that at all times the Group holds sufficient funds to meet its contracted and contingent commitments to customers and counterparties at an economic price. • This policy details the roles and responsibilities within the Group with regard to the identification, assessment, management, reporting, control and oversight of funding and liquidity risk. This policy is aligned with the Group Risk Appetite Statement (RAS) and all appropriate qualitative statements and metrics, as outlined within the Group RAS, are reflected either directly within this policy and / or supporting guidelines and procedures.
(f)	An outline of the bank`s contingency funding plans.	• The Group Contingency Funding Plan (CFP) is designed to ensure that the Group can manage its business in deteriorating liquidity conditions and emerge from a temporary liquidity crisis as a creditworthy institution. A key objective of the CFP is to ensure the Group has the capacity to meet all of its liquidity requirements as set out in the RAS in a stressed environment. • The CFP sets out the operational framework under which the liquidity of the Group will be managed in the event of an adverse operating environment as a result of company specific or systemic events. The Plan is designed to: ◦Enable the Group to maintain its core business in deteriorating liquidity conditions by ensuring that sufficient liquid financial resources are available to meet liabilities as they fall due; ◦Ensure clarity of management action in a crisis situation by having clearly defined roles and responsibilities, management information, infrastructure, and communication strategy; ◦Ensure clarity on co-ordination between AIB and the regulatory authorities; ◦Provide a holistic approach to liquidity management encompassing a broad range of metrics and measurements across the business that will enable a swift response to early warning signs; and ◦Incorporate the key regulatory guidelines as set out by the European Banking Authority (EBA). • A further set of triggers and liquidity options are set out in the Group's Recovery Plan, which presents the actions available to the Group to restore viability in the event of extreme stress.

(g)	An explanation of how stress testing is used.	• Liquidity stress testing is a key component of the ILAAP framework. The Group undertakes liquidity stress testing that includes both firm specific and systemic risk events and a combination of both as a key liquidity control. • Stressed assumptions are applied to the Group's liquidity buffer and liquidity risk drivers. This estimates the potential impact of a range of stress scenarios on the Group's liquidity position including its available liquid assets and contingent liquidity. The purpose of these tests is to ensure the continued stability of the Group's liquidity position within the Group's pre-defined liquidity risk tolerance levels. • Liquidity stress test results are reported to the ALCo, Executive Committee and Board. The Group also monitors a suite of Recovery Plan Triggers and Early Warning Indicators in order to identify the potential emergence of a liquidity stress. As part of its contingency and recovery planning, the Group has identified a suite of potential funding and liquidity options which could be exercised to help the Group to restore its liquidity position on the occurrence of a major stress event.
(h)	A declaration approved by the management body on the adequacy of liquidity risk management arrangements of the institution providing assurance that the liquidity risk management systems put in place are adequate with regard to the institution's profile and strategy.	On an annual basis, the Board attests to the Group's liquidity adequacy via the liquidity adequacy statement.
(i)	A concise liquidity risk statement approved by the management body succinctly describing the institution's overall liquidity risk profile associated with the business strategy. This statement shall include key ratios and figures (other than those already covered in the EU LIQ1 template under this ITS) providing external stakeholders with a comprehensive view of the institution's management of liquidity risk, including how the liquidity risk profile of the institution interacts with the risk tolerance set by the management body. These ratios may include: · Concentration limits on collateral pools and sources of funding (both products and counterparties) · Customised measurement tools or metrics that assess the structure of the bank's balance sheet or that project cash flows and future liquidity positions, taking into account off-balance sheet risks which are specific to that bank · Liquidity exposures and funding needs at the level of individual legal entities, foreign branches and subsidiaries, taking into account legal, regulatory and operational limitations on the transferability of liquidity · Balance sheet and off-balance sheet items broken down into maturity buckets and the resultant liquidity gaps	• The objective of liquidity management is to ensure that, at all times, the Group holds sufficient funds to meet its contracted and contingent commitments to customers and counterparties at an economic price. Funding and liquidity risk is identified and assessed using a range of liquidity stress testing scenarios and ensuring adherence to limits based on both internal limits and the regulatory defined liquidity ratios, the Liquidity Coverage Ratio ("LCR") and the Net Stable Funding Ratio ("NSFR"). • 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. • The Group manages the liquidity pool on a centralised basis. The composition of the liquidity pool is subject to limits recommended by the Risk function and approved by the Board. The liquidity pool assets primarily comprise government guaranteed bonds, balances with central banks and internal and external covered bonds. At 31 December 2021, the Group held € 67,240 m (2020: € 53,816 m) in qualifying liquid assets "QLA"/contingent funding of which € 17,366 m (2020: € 10,028 m) was not available due to repurchase, secured loans and other restrictions. The available Group liquidity pool is held to cover contractual and stress outflows. At 31 December 2021, the Group liquidity pool was € 49,874 m (2020: € 43,788 m).

23: Template EU LIQ1 - Quantitative information of LCR

As per Article 451a(2), the template below sets out the liquidity coverage ratio detail of AIB Group.

Scope of consolidation:	consolidated

		a	b	c	d	e	f	g	h
		Total unweighted value (average)				Total weighted value (average)			
EU 1a	Quarter ending on (DD/MM/YYYY)	31/12/2021	30/09/2021	30/06/2021	30/03/2021	31/12/2021	30/09/2021	30/06/2021	30/03/2021
EU 1b	Number of data points used in the calculation of averages	12	12	12	12	12	12	12	12
HIGH-QUALITY LIQUID ASSETS									
1	Total high-quality liquid assets (HQLA)					37,620	35,287	32,322	29,601
CASH - OUTFLOWS									
2	Retail deposits and deposits from small business customers, of which:	60,188	57,840	55,613	53,608	5,640	5,049	4,682	4,466
3	*Stable deposits*	34,149	33,070	31,960	30,786	1,707	1,653	1,598	1,539
4	*Less stable deposits*	24,277	22,868	21,538	20,422	3,433	3,231	3,042	2,886
5	Unsecured wholesale funding	27,425	26,974	25,998	24,914	12,441	12,193	11,753	11,260
6	*Operational deposits (all counterparties) and deposits in networks of cooperative banks*	-	-	-	-	-	-	-	-
7	*Non-operational deposits (all counterparties)*	27,425	26,974	25,998	24,914	12,441	12,193	11,753	11,260
8	*Unsecured debt*	-	-	-	-	-	-	-	-
9	*Secured wholesale funding*					29	62	72	60
10	Additional requirements	10,546	10,315	9,971	9,856	1,363	1,341	1,307	1,293
11	*Outflows related to derivative exposures and other collateral requirements*	466	461	455	456	466	461	455	456
12	*Outflows related to loss of funding on debt products*	-	-	-	-	-	-	-	-
13	*Credit and liquidity facilities*	10,080	9,854	9,515	9,400	897	880	852	836
14	Other contractual funding obligations	288	360	337	369	182	254	231	266
15	Other contingent funding obligations	3,889	3,811	3,834	3,593	376	366	365	338
16	TOTAL CASH OUTFLOWS					20,031	19,265	18,409	17,683
CASH - INFLOWS									
17	Secured lending (e.g. reverse repos)	174	384	466	473	69	167	186	194
18	Inflows from fully performing exposures	683	689	700	715	459	462	472	485
19	Other cash inflows	599	590	622	664	181	168	185	198
EU-19a	(Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies)								
EU-19b	(Excess inflows from a related specialised credit institution)								
20	TOTAL CASH INFLOWS	1,456	1,664	1,788	1,852	708	798	844	877
EU-20a	*Fully exempt inflows*								
EU-20b	*Inflows subject to 90% cap*								
EU-20c	*Inflows subject to 75% cap*	1,376	1,375	1,442	1,478	708	798	844	877
TOTAL ADJUSTED VALUE									
EU-21	LIQUIDITY BUFFER					37,620	35,287	32,322	29,601
22	TOTAL NET CASH OUTFLOWS					19,322	18,467	17,565	16,806
23	LIQUIDITY COVERAGE RATIO					194.42 %	190.81 %	183.63 %	175.68 %

24: Table EU LIQB on qualitative information on LCR, which complements template EU LIQ1

As per Article 451a(2), the below template provides qualitative information on the LCR ratio.

Row number	Qualitative information	
(a)	Explanations on the main drivers of LCR results and the evolution of the contribution of inputs to the LCR's calculation over time	The LCR aims to ensure that a bank has an adequate stock of unencumbered High Quality Liquid Assets ("HQLA") to meet its liquidity needs for a 30-calendar day liquidity stress scenario. The LCR remained above the regulatory minimum requirements of 100% and internal risk appetite limits throughout the year. The Group maintains a strong liquidity position by keeping a stable balance sheet structure that is supported by a diversified funding base. The main driver of the LCR results over the period has been the continued growth in deposits received which has resulted in an increase in both HQLA (as excess funding is placed with the Central Bank) and customer deposit outflows. All figures included in the table represent a 12 month rolling average for quarter 1 to quarter 4 2021.
(b)	Explanations on the changes in the LCR over time	As at 31 December 2021 the AIB Group LCR was 203.23%. The 12 month average LCR for 31 December 2021 increased 4% to 194% over the 12 month average LCR at 30 September 2021. As per previous quarters the LCR continues to increase, as growth in the liquidity buffer exceeded growth in stressed net cash outflows. Central Bank Reserves increased € 1.7 bn, between September and December. The main driver of this was an increase in deposits € 2.7 bn, with retail deposits increasing € 1.2 bn. This increase in LCR in quarter 4 was partially offset by an increase in deposit outflows as a result of AIB giving withdrawal notice of its AIB UK Commercial business accounts. The impacted accounts are no longer treated as per their previous LCR deposit category but moved to a category where they receive a 100% outflow rate as notice has been given of withdrawal to the account type. This withdrawal has taken longer than expected and accounts still exist as at December 2021.
(c)	Explanations on the actual concentration of funding sources	The composition of the Group's funding results in a low LCR outflow relative to the overall size of the funding base, as a large proportion of this deposit base comes from Retail customers, which in aggregate provide a stable source of funding. The Group maintained its participation in the ECB three year TLTRO III.
(d)	High-level description of the composition of the institution`s liquidity buffer.	The buffer is primarily composed of Level 1 assets. Notably, reserves at central banks represents the substantial majority of the buffer at the reporting date. Diversification in the buffer is achieved through investments in Level 1 debt instruments such as government guaranteed bonds, and Level 2 debt instruments such as high quality external covered bonds.
(e)	Derivative exposures and potential collateral calls	The Group actively manages its over-the-counter ("OTC") derivative exposures arising from activity generated by corporate customers while the remainder represent hedging and trading decisions of the Group's derivative and foreign exchange traders with a view to generating incremental income. These derivative financial instruments include interest rate, foreign exchange, equity and credit derivatives. The LCR captures both contractual derivative outflows and the impact of an adverse market scenario on derivative outflows and collateral calls. In addition, derivative outflows are captured in the Group's liquidity stress testing.
(f)	Currency mismatch in the LCR	As part of its funding strategy, the Group makes use of the swap markets to support its funding needs across currencies. Matching its deposit currency mix, the main portion of the Group's liquid assets is denominated in EUR and the local currencies of key operating locations. The Group's stable funding base of customer deposits is predominantly denominated in the local currency of its key operating locations.
(g)	Other items in the LCR calculation that are not captured in the LCR disclosure template but that the institution considers relevant for its liquidity profile	For LCR purposes, assets outside the Liquidity function's control can qualify as HQLAs in so far as they match outflows in the same jurisdiction. For the Group, this means that UK HQLAs (cash held with the Bank of England) can qualify up to the amount of 30 days UK outflows under LCR.

25: Template EU LIQ2 - Net Stable Funding Ratio

As per Article 451a(3) the template below sets out the NSFR ratio detail of AIB Group.

The December 2021 NSFR at 160% is up 11% since June 2021. The main driver in the NSFR increase is due to higher deposits.

AIB Group does not treat any assets or liabilities as being interdependent.

		a	b	c	d	e
		Unweighted value by residual maturity				
(in currency amount)		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	Weighted value
Available stable funding (ASF) Items						
1	Capital items and instruments	13,528	-	-	1,556	15,084
2	*Own funds*	13,528	-	-	1,556	15,084
3	*Other capital instruments*		-	-	-	-
4	Retail deposits		62,867	223	114	58,696
5	*Stable deposits*		35,880	148	78	34,306
6	*Less stable deposits*		26,987	75	35	24,391
7	Wholesale funding:		30,318	95	15,441	28,283
8	*Operational deposits*		-	-	-	-
9	*Other wholesale funding*		30,318	95	15,441	28,283
10	Interdependent liabilities		-	-	-	-
11	Other liabilities:	-	2,100	-	345	345
12	*NSFR derivative liabilities*	-				
13	*All other liabilities and capital instruments not included in the above categories*		2,100	-	345	345
14	**Total available stable funding (ASF)**					**102,408**
Required stable funding (RSF) Items						
15	Total high-quality liquid assets (HQLA)					9,592
EU-15a	Assets encumbered for more than 12m in cover pool		94	115	1,611	1,547
16	Deposits held at other financial institutions for operational purposes		-	-	-	-
17	Performing loans and securities:		4,507	4,788	51,807	43,999
18	*Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut*		-	-	-	-
19	*Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions*		1,435	1,156	2,241	2,910
20	*Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:*		1,940	2,417	19,700	19,028
21	*With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk*		108	98	1,115	857
22	*Performing residential mortgages, of which:*		765	904	26,297	18,659
23	*With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk*		732	728	25,627	17,972
24	*Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products*		366	311	3,569	3,402
25	Interdependent assets		-	-	-	-
26	Other assets:	-	3,737	-	7,638	7,994
27	*Physical traded commodities*				-	-
28	*Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs*		54	-	-	46
29	*NSFR derivative assets*		264			264
30	*NSFR derivative liabilities before deduction of variation margin posted*		915			46
31	*All other assets not included in the above categories*		2,505	-	7,638	7,638
32	Off-balance sheet items		-	-	14,546	934
33	**Total RSF**					**64,065**
34	**Net Stable Funding Ratio (%)**					**159.85 %**

Chapter 8. Disclosure of exposures to credit risk, dilution risk and credit quality

26: Table EU CRA - General qualitative information about credit risk

As per Article 435(1), points (a), (b), (d) and (f) the table below provides a description of AIB risk management objectives and policies for credit risk by providing the following information:

Legal basis	Row number	Qualitative information	
Point (f) of Article 435(1) CRR	(a)	In the concise risk statement in accordance with point (f) of Article 435(1) CRR, how the business model translates into the components of the institution's credit risk profile.	One of the Group's main sources of income arises from granting credit. Accordingly, this exposes it to its most significant risk, namely credit risk. The most significant credit risk in AIB Group arises from traditional lending activities to corporate, commercial and personal customers and to sovereigns and banks. Credit risk also arises through the use of derivatives, off-balance sheet guarantees and commitments and through the Group's investment securities. The Group Credit Risk Framework ("GCRF") is an overarching Group-wide credit risk document that sits within the Risk Management Framework ("RMF") of the Group and sets out the principles and governance arrangements for the identification, assessment, measurement, management, monitoring and reporting of credit risk within the Group and defines Credit Risk Culture. This Framework is supported by the Group Credit Risk Policy ("GCRP") and by a suite of individual Credit Risk Management and Sanctioning Credit Policies (by asset and sub-asset class, as required), collectively forming the Credit Risk Policy Architecture. The Group Credit Risk Policy is an overarching Group-wide policy which outlines: the Group's Credit Risk Strategy, the core credit risk activities that must be undertaken to ensure that the Group's credit risk is appropriately and consistently identified, assessed, measured, managed, monitored and reported across the Group. Internal credit ratings One of the objectives of credit risk management is to accurately quantify the level of credit risk to which the Group is exposed through the initial credit approval and ongoing review process. All relevant exposures are assigned to a rating model and within that to an internal risk grade (rating). A grade is assigned on the basis of rating criteria within each rating model from which estimates of probability of default (PD) are derived. Internal credit grades are fundamental in assessing the credit quality of loan exposures, and for assessing capital requirements for portfolios where prior regulatory approval has been received. Internal credit grades are key to management reporting, credit portfolio analysis, credit quality monitoring and in determining the level and nature of management attention applied to exposures. Changes in the objective information are reflected in the credit grade of the borrower/loan with the resultant grade influencing the management of individual loans. In line with the Group's credit management lifecycle, heightened credit management and special attention is paid to lower quality performing loans or 'criticised' loans and non-performing/defaulted loans which are defined below. Using internal models, the Group has designed and implemented a credit grading masterscale that gives it the ability to categorise credit risk across different rating models and portfolios in a consistent manner. The masterscale consolidates complex credit information into a single attribute, aligning the output from the risk models with the Group's Forbearance and Definition of Default and Credit Impairment policies. Masterscale grades are driven by grading model appropriate PDs combined with other asset quality indicators such as default, forbearance and arrears in order to provide the Group with a mechanism for ranking and comparing credit risk associated with a range of customers. The masterscale categorises loans into a broad range of grades which can be summarised into the following categories: strong/satisfactory grades; criticised grades; and non-performing/default loans. The IFRS 9 PD modelling approach uses a combination of rating grades and scores obtained from these credit risk

models along with key factors such as the current/recent arrears status or the current/recent forbearance status and macroeconomic factors to obtain the relevant IFRS 9 12 month and Lifetime PDs (i.e. point in time).

Strong/satisfactory
Accounts are considered strong/satisfactory if they have no current or recent credit distress and the probability of default is typically less than 6.95%, they are not in arrears and there are no indications that they are unlikely to repay.
Strong (typically with PD less than 0.99%): Strong credit with no weakness evident.
Satisfactory (typically with PD greater than or equal to 0.99% and less than 6.95%): Satisfactory credit with no weakness evident.

Criticised
Accounts of lower credit quality and considered as less than satisfactory are referred to as criticised and include the following:
Criticised watch: The credit is exhibiting weakness in terms of credit quality and may need additional management attention; the credit may or may not be in arrears.
Criticised recovery: Includes forborne cases that are classified as performing including those which have transitioned from non-performing forborne, but still require additional management attention to monitor for re-default and continuing improvement in terms of credit quality.

Non-performing/Default
The Group's definition of default is aligned with the EBA 'Guidelines on the application of the definition of default' under Article 178 of Capital Requirements Regulation and ECB Banking Supervision Guidance to Banks on non-performing loans. The Group has aligned the definitions
of 'non-performing', 'classification of default' and IFRS 9 Stage 3 'credit impaired', with the exception of those loans which have been derecognised and newly originated in Stage 1 or POCI (purchased or originated credit impaired) which are no longer classified as credit impaired but continue to be classified as non-performing and in default. This alignment ensures consistency with the Group's internal credit risk management and assessment practices.

Loans are identified as non-performing or defaulted by a number of characteristics. The key criteria resulting in a classification of non-performing are:
– Where the Group considers a borrower to be unlikely to pay their loans in full without realisation of collateral, regardless of the existence
of any past-due amount; or
– The borrower is 90 days or more past due on any material loan. Day count starts when any material amount of principal, interest or fee has not been paid by a borrower on the due date.

The Group's definition of financial distress and forbearance are included in the Group's Forbearance policy. Identification of non-performing exposures and unlikeliness to pay are included in the Group's Definition of Default and Credit Impairment policy.
Credit risk management response to COVID-19:

The Group continued to adapt its credit risk management operating model including its underlying credit processes, in response to COVID-19 to ensure proactive and appropriate management of the heightened credit risk in the portfolio, particularly for those sectors believed to be most impacted by COVID-19. In adapting its credit operating model, the Group continued to provide a number of customer support measures as required in a streamlined, agile and risk appropriate manner.

In 2021, the Group's focus continued to be on supporting its existing customers and ensuring they were provided with appropriate measures (e.g. covenant reliefs) taking account of the expected financial impact and recovery outlook. As part of the Group's credit risk management response to COVID-19, a range of actions were taken to ensure the appropriate measurement, classification, and reporting of its credit risk exposures during the year. These included:
The continued use of additional guidance documents to support credit risk assessment and management activities, such as credit grading, staging, unlikely-to-pay testing, and taking account of COVID-19 sector risk and expected recovery outlook. This guidance supplements the Group's existing credit risk policies and frameworks.
Enhanced scope and frequency of portfolio asset quality monitoring, particularly focused on those sectors believed to be most impacted by COVID-19 (for example, hospitality, non-food retail, travel etc.).
Proactive bottom-up reviews of individual cases, in addition to top-down portfolio/sector reviews, prioritising higher value exposures and the more vulnerable segments of the balance sheet.

Moving forward, the Group will continue to proactively review borrowers particularly where reliefs such as government supports are withdrawn. This has been considered as part of the governance process and was an explicit consideration as part of year-end and ECL appropriateness.

Credit risk management consideration of ESG risks:

			The Group continues to adapt its credit risk management processes and policies to capture environmental, social, and governance ("ESG") risks. Key additional steps taken during the year included: – A heat mapping exercise was conducted to scale individual sub-sector exposures to levels of climate change and environment risks. – Relevant Business Credit Application Guidelines/Procedures and Credit Sanctioning Policies were updated to require the assessment of certain borrower's exposure to ESG factors, in particular environmental factors and impact of climate change and the appropriateness of mitigating strategies as set out by the borrower. – An ESG questionnaire was introduced for certain cohorts requiring a more intensive analysis of borrowers in sub-sectors considered as part of the heat mapping exercise to have a higher risk to climate change related and environment risks. – The property valuation process was updated to obtain BER/EPC ratings where applicable, which will be captured in collateral valuations and recorded on the Group's systems going forward. – A new Sustainable Lending Framework was introduced which categorises relevant lending activities as green/transition for internal tracking and external disclosure purposes. – The impact of climate risk was considered as part of the ECL governance process for the position as at December 2021 and it was deemed that insufficient evidence of the likely loss impacts from climate events is available to adjust ECLs materially but that the Group's approach to individual counterparty risk assessment adequately captures climate risk where appropriate. The impact of climate risk will continue to be monitored in 2022 to ensure ECLs appropriately reflect latent risk from potentially emerging climate risks. These enhancements are important building blocks in achieving our sustainability ambition of 70% of the Group's new lending to be green/transition lending by 2030, and also in increasingly understanding the Group's exposure to ESG risk.
Point (a) and (d) of Article 435(1) CRR	(b)	When discussing their strategies and processes to manage credit risk and the policies for hedging and mitigating that risk in accordance with points (a) and (d) of Article 435(1) CRR, the criteria and approach used for defining the credit risk management policy and for setting credit risk limits.	Credit risk is the risk that the Group will incur losses as a result of a customer or counterparty being unable or unwilling to meet their contractual obligations. Based on the annual risk identification and materiality assessment, credit risk is grouped into the following four sub categories: I.Counterparty risk: The risk of losses arising as a result of the counterparty not meeting their contractual obligations in full and on time; II.Credit default risk: The current or prospective risk to capital arising from the counterparties failure to meet the terms of any contract with the Group; III.Concentration risk: The risk of excessive credit concentration including to an individual, counterparty, group of connected counterparties, industry sector, a geographic region, country, a type of collateral or a type of credit facility; and IV.Country risk: The risk of having exposure to a country, arising from possible changes in the business environment that may adversely affect operating profits or the value of assets related to the country. Credit risk exposure derives from standard on-balance sheet products such as mortgages, loans, overdrafts and credit cards. However, credit risk also 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 partial failure of a trade in a settlement or payment system.

Group Risk Appetite Statement

The Group's Risk Appetite Statement ("RAS") defines the amount and types of risks that the Group is willing to take, accept, or tolerate in pursuit of its business objectives and strategy as set by the Board. As part of the overall framework for risk governance, it forms a boundary condition to strategy and guides the Group in its risk-taking and related business activities. Credit risk appetite is set at Board level and is described, reported and monitored through a suite of qualitative and quantitative metrics. Risk appetite is stress tested to ensure limits are within the risk-taking capacity of the Group. The Group's risk appetite for credit risk is reviewed and approved at least annually.

Credit risk principles and policy

The Group implements and operates policies to govern the identification, assessment, approval, monitoring and reporting of credit risk. The Group Credit Risk Framework and Group Credit Risk Policy are overarching Board approved documents which set out the principles of how the Group identifies, assesses, approves, monitors and reports credit risk to ensure that robust credit risk management is in place. These documents contain the minimum standards and principles that are applied across the Group to provide a common, robust and consistent approach to the management of credit risk.

The Group Credit Risk Policy is supported by a suite of credit policies, standards and guidelines which define in greater detail the minimum standards and credit risk metrics to be applied for specific products, business lines, and market segments.

Credit Risk, as an independent risk management function, monitors key credit risk metrics and trends, including policy exceptions and breaches, reviews the overall quality of the loan book, challenges variances to planned outcomes and tracks portfolio performance against agreed credit risk indicators. This allows the Group, if required, to take early and proactive mitigating actions for any potential areas of concern.

Credit approval overview

The Group operates credit approval criteria which:

–Include a clear indication of the Group's target market(s), in line with Group and segment risk appetite statements;

–Require a thorough understanding and assessment of the borrower or counterparty, as well as the purpose and structure of credit, and the source of repayment; and

–Enforce compliance with minimum credit assessment and facility structuring standards.

Credit risk approval is undertaken by professionals operating within a defined delegated authority framework. However, for certain selected retail portfolios, scorecards and automated strategies (together referred to as 'score enabled decisions') are deployed to automate and to support credit decisions and credit management (e.g. score enabled auto-renewal of overdrafts).

The Board is the ultimate credit approval authority in the Group. The Board has delegated credit authority to various credit committees and to the Chief Credit Officer (''CCO''). The CCO is permitted to further delegate this credit authority to individuals within the Group on a risk appropriate basis. Credit limits are approved in accordance with the Group's written risk policies and guidelines.

All exposures above certain levels require approval by the Group Credit Committee ("GCC") and/or Board. Other exposures are approved according to a system of tiered individual authorities which reflect credit competence, proven judgement and experience. Depending on the borrower/connection, grade or weighted average facility grade and the level of exposure, limits are sanctioned by the relevant credit authority. Material lending proposals are referred to credit units for independent assessment/approval or formulation of a recommendation and subsequent adjudication by the applicable approval authority.

Credit risk organisation and structure

The Group's credit risk management systems operate through a hierarchy of lending authorities. All customer loan requests are subject to a credit assessment process. The role of the Credit Risk function is to provide direction, independent oversight of and challenge to credit risk-taking.

Credit risk mitigation
The perceived strength of a borrower’s repayment capacity is the primary factor in granting a loan. As per Articles 435(1)(d) and 444(e), the Group uses various approaches to help mitigate risks relating to individual credits, including transaction structure, collateral and guarantees. Collateral and/or guarantees are usually required as a secondary source of repayment in the event of a borrower’s default. At a portfolio level, credit risk is assessed in relation to the degree of name, sector and geographic concentration. Changes in concentrations are tracked on a regular basis across the Group's loan portfolio. Where potential risk concentrations are identified, the risk capital implications are assessed and, where appropriate, risk mitigation options (e.g. disposals, securitisations, hedging strategies) are considered. The main types of collateral for loans and advances to customers are described below under the section on collateral. Credit policy and credit management standards are controlled and set centrally by the credit risk function.

Due to the COVID-19 pandemic, the Group has updated property valuation guidance policies to assist case managers in determining market values given current COVID-19 related market uncertainty. For residential properties, a cautionary approach is applied to the use of comparable sales information in an area and indexation which may produce a skewed result as sales have slowed down. For commercial properties, a prudent approach is applied to rental level estimates and investment yields considering specific factors and variables of the property, as well as the sector within which the property operates.

Collateral
Credit risk mitigation may include a requirement to obtain collateral as set out in the Group’s lending policies. Where collateral and/or guarantees are required, they are usually taken as a secondary source of repayment in the event of a borrower’s default. Guarantors typically include corporates, individuals, financial institutions and sovereigns. Their creditworthiness is assessed on an individual case- by-case basis. The Group maintains policies which detail the acceptability of specific classes of collateral.

The principal collateral types for loans and advances are:
- Charges over business assets such as premises, inventory and accounts receivable;
- Charges over other assets such as plant & machinery, marine vessels etc;
- Mortgage/legal charge over residential and commercial real estate; and
- Charges over financial instruments such as debt securities and equities.

The nature and level of collateral required depends on a number of factors such as the type of the credit facility, the term of the credit facility and the amount of exposure. Collateral held as security for financial assets, other than for loans and advances, is determined by the nature of the instrument. Debt securities and treasury products are generally unsecured, with the exception of asset backed securities, which are secured by a portfolio of financial assets.

Collateral is not usually held against loans and advances to banks, including central banks, except where securities are held as part of reverse repurchase or securities borrowing transactions or where a collateral agreement has been entered into under a master netting agreement or where the bank purchases covered bonds as part of its liquidity portfolio.

For non-mortgage/non-property lending, where collateral is taken, it will typically include a charge over the business assets such as inventory and accounts receivables. In some cases, a charge over property collateral or a personal guarantee supported by a lien over personal assets may also be taken. Where cash flows arising from the realisation of collateral held are included in ECL assessments, in many cases management rely on valuations or business appraisals from independent external professionals.

Credit risk mitigation for regulatory capital requirements calculation
For non-retail foundation IRB exposures, supervisory LGDs are used for minimum regulatory capital requirement calculation purposes as is required under the CRR. These LGDs are either applied directly to obligors, or are reduced through the recognition of the risk-mitigating impact of qualifying collateral held. For the Retail mortgage IRB exposures, the LGD model incorporates collateral so there is no separate credit risk mitigation.

For counterparty credit risk, the Group uses eligible financial collateral for derivatives and securities financing transactions.

Methodologies for valuing collateral

Details on the valuation rule methodologies applied and processes used to assess the value of property assets taken as collateral are described in the Group Property Valuation Policy and Property Valuation Guidance. Both documents were reviewed and updated in 2021 due to changes required under the EBA Guidelines on Loan Origination & Monitoring which came into effect on 1 July 2021. The Group has updated property valuation guidance to assist case managers in determining market values given current COVID-19 related market uncertainty on impacted sectors.

As property loans, including residential mortgages, represent a significant concentration within the Group's loans and advances to customer's portfolio, some key principles have been applied in respect of the valuation of property collateral held by the Group.

In accordance with the Group Property Valuation Policy and Guidelines, the Group employs a number of methods to assist in reaching appropriate valuations for property collateral held.

External Valuation firms on the Group's Valuers Panel, are engaged by the Group to undertake valuations of Immovable Property collateral in accordance with the rules set out in the Group Property Valuation Policy.

The residual value analysis methodology assesses the value of the asset after meeting the incremental costs to complete the
development. This approach looks at the cost of developing the asset to determine the residual value for the Group, including covering
the costs to complete and additional funding costs. The key factors considered in this methodology include:

I. the development potential given the location of the asset;
II. its current or likely near term planning status;
III. levels of current and likely future demand;
IV. the relevant costs associated with the completion of the project; and
V. expected market prices of completed units.

If, following internal considerations which may include consultations with valuers, it is concluded that the optimal value for the Group will be obtained through the development/completion of the project, a residual value methodology is used. When, in the opinion of the Group, the land is not likely to be developed or it is non-commercial to do so, agricultural values may be applied. Alternative use value (subject to planning permission) may also be considered.

Independent professional internal valuations are completed in limited circumstances (e.g. agricultural land) using a desktop valuation approach by professional qualified internal valuers who are independent of the credit process. The assets being valued by this means must have an independent professional external valuation completed within the past 3 years.

In the context of other internal methodologies, appropriate yields are applied to current rentals in valuing investment property. When assessing properties that are used for operational business or trading purposes, these are generally valued by applying a multiple to stabilised EBITDA, e.g. hotels and nursing homes. For licensed premises, these are valued by applying a multiple to stabilised net turnover or if available stabilised EBITDA.

When assessing the value of residential properties, the Central Statistics Office ("CSO") Residential Property Price index in the Republic of Ireland and the UK Nationwide index for Great Britain and Northern Ireland is used.

The value of property collateral is assessed at loan origination and at certain stages throughout the credit life cycle in accordance with the Group Property Valuation Policy e.g. at annual review where required.

Point (b) of Article 435(1) CRR	(c)	When informing on the structure and organisation of the risk management function in accordance with point (b) of Article 435(1) CRR, the structure and organisation of the credit risk management and control function.	The Group opertates a three lines of defence model to support the Group’s Credit Risk Strategy. The first line of defence lies with the business units who have primary responsibility for the identification, assessment, measurement, management, monitoring and reporting of credit risk. The second line of defence comprises the Risk function, headed by the Chief Risk Officer and oversees the first line, providing independent constructive challenge, setting the frameworks, policies and limits, consistent with the risk appetite of the Group. Credit Risk is a key function within Risk, led by the Chief Credit Officer, responsible for the undertaking of these second line of defense responsibilities with regard to the identification, assessment, measurement, management, monitoring and reporting of credit risk. These key responsibilities across the various Credit Risk teams are as follows: Credit Policy •Developing and maintaining, on behalf of the CCO, the Credit Risk Policy Architecture in line with the Group’s Risk Appetite and regulatory requirements. •Completing, in conjunction with Compliance, credit policy regulatory gap analyses and, as required, providing guidance to the first line of defence on regulatory requirements underpinning credit policy. •Ensuring credit policies are supported by appropriate Implementation & Communications Plans (“ICPs”) prior to go-live. •Providing guidance and support to the CCO and CRO, and relevant Credit Risk/Risk governance fora, on credit risk policy matters. •Providing sign-off, on behalf of the CCO, on new/revised credit products in line with the Group Product and Proposition Risk Policy. •Providing advice and guidance, as required, to support the implementation of the Credit Risk Policy Architecture. This includes the development of relevant credit policy training materials to support the implementation and embedding of credit policies by the first line of defence. Credit Units •Ensuring credit decisions incorporate detailed credit assessment and robust second line of defence challenge, where required. •Sanctioning Credit Exposure under their delegated Credit RCA discretion in line with the relevant Credit Approval Authorities document. •Ensuring independent review and dual approval of all Non-retail credit grades. •Ensuring credit decisions are consistent with policy rules and credit standards (where applicable) through credit sanctioning under their own delegated credit authority and participation in credit committee fora. •Embedding credit policies, credit standards (where applicable) and relevant credit guidance and procedures within the relevant Credit Units. •Providing advice and guidance, as required, to support the implementation of the Credit Risk Policy Architecture. Credit Risk Portfolio Monitoring (“CRPM”) •Designing and setting credit risk metrics for the Group Risk Appetite Statement, including overarching qualitative statements and quantitative credit risk limits, watch triggers and KRIs. •Performing oversight of the credit risk portfolio ensuring independent ‘top down’ portfolio monitoring in line with Early Warning Indicator (EWI) guidance, oversight and reporting of the management of credit risk across the Group. •Reviewing and challenging MI and insights brought forward by first line of defence in respect of the credit risk portfolio, supported by independent review of data and key metrics undertaken within second line of defence. •Reviewing, monitoring and reporting on asset quality and the overall credit risk control environment; including credit risk RAS metrics, Expected Credit Loss (“ECL”) outcomes, credit policy exceptions, credit standard deviations (versus agreed limits/tolerances) and credit policy breaches. •Reviewing and challenging relevant Credit Risk inputs to the financial plan and Internal Capital Adequacy Assessment Process (“ICAAP”). •Review and challenge of the appropriate methodologies and practices to allow for the aggregation of credit risk exposures in business lines, portfolios, sub-portfolios, products, industries and geographical segments to support the identification of credit risk concentrations.

The Group Property Valuation Unit (“GPVU”)
- This is a centralised second line of defence team in Risk Operations & Delivery, which includes qualified Chartered Surveyors and Royal Institution of Chartered Surveyors (“RICS”) Registered Valuers, responsible for the independent oversight of the end-to-end valuation process for Immovable Property in the Group.

Second Line Assurance is a key activity within Risk, and the following areas have specific responsibilities for the provision of this independent assurance and operate in line with the Group Assurance Model (“GAM”).

Credit Review
Credit Review reports to the Head of Credit Review within Risk, and to the CRO. Credit Review responsibilities in relation to credit risk include:
- Providing reasonable and independent assurance on the quality of credit sanctioning, the management of credit risk and the control environment on a risk prioritised basis over a three year cycle.
- Providing constructive, informed challenge to first line of defence and second line of defence business and credit management areas based on the findings of the review work undertaken.
- Reporting outputs on assurance activity to Senior Management in ROI and UK, and periodically to the GRC, BRC and, when required, to the BAC.

Group Risk Assurance (“GRA”)
GRA reports to the Group Chief Compliance Officer within Risk, and to the CRO. GRA responsibilities, elements of which may be related to the management of credit risk include:
- Assessing whether internal controls are designed, applied and operating effectively to ensure that each material risk has appropriate frameworks / policies, processes or procedures in place, and that the bank is in compliance with its various policies / laws / regulatory requirements.
- Providing independent review and objective assurance on the quality and effectiveness of the bank's internal control system, the first line of defence and the risk governance policies and frameworks, via a BRC annually approved risk-based assurance plan.
- Co-ordinating with Credit Review to support the provision of assurance activities which avoid duplication of effort in execution of the above roles and responsibilities.

Compliance
Compliance reports to the Group Chief Compliance Officer within Risk, and to the CRO. Compliance responsibilities include:
- Provision of Compliance Advisory activities for regulations within scope of the Regulatory Compliance Universe, whilst relying on Specialist Functions in Risk & Finance.
- Provision of quarterly Group Horizon outlining emerging regulatory requirements and communication of upstream regulatory requirements.
- Participate in engagement between first line of defence and second line of defence on regulation relevant to credit risk policy.
- Review the credit policy regulatory universe and advise on details of any additional ROI, UK & US regulations that may have impact on Frameworks and Policies which need to be considered as part of the regulatory gap analysis.
- Review and challenge the interpretation of credit risk regulation as outlined in reg. gap analysis and confirm satisfaction as to the completeness if the regulatory gap analysis.
- Provide confirmation email, where requested/required ahead of HAA governance or annual review sign off, outlining the review work completed, the oversight process and provision of confirmation of overall satisfaction.

Enterprise Risk Management (“ERM”)
- ERM is responsible for the management, reporting and oversight of model risk, including the validation of credit risk models.

Group Internal Audit’s (“GIA’s”) primary responsibility is the Group’s Board of Directors through BAC. GIA helps them to carry out their corporate governance responsibilities by providing an independent view on the key risks facing the Group, and the adequacy and effectiveness of governance, risk management and the internal control environment in managing these risks. GIA provide independent
assurance on the management of credit risk and the control environment on a risk prioritised basis over a three year cycle which can include:

- The assessment by the first line of defence of credit applications,
- The role of the second line of defence in the review and challenge of the credit applications,
- The credit management process through the credit lifecycle in both the first and second line of defence.

All activities undertaken within, and on behalf of the Group, are within the scope of GIA. This includes the activities of subsidiaries and the risk and control functions (including Group Risk and Compliance functions) and first and second lines of defence assurance activities established by the Group.

Point (b) of Article 435(1) CRR	(d)	When informing on the authority, status and other arrangements for the risk management function in accordance with point (b) of Article 435(1) CRR, the relationships between credit risk management, risk control, compliance and internal audit functions.	As outlined under section (c).

27: Table EU CRB - Additional disclosure related to the credit quality of assets

As per Article 442, points (a) and (b) the table below provides additional qualitative and quantitative information:

Legal basis	Row number	Qualitative information	
Article 442 (a) and (b) CRR	a	The scope and definitions of 'past-due' and 'impaired' exposures used for accounting purposes and the differences, if any, between the definitions of past due and default for accounting and regulatory purposes as specified by the EBA Guidelines on the application of the definition of default in accordance with Article 178 CRR.	The Group's definition of default is aligned with the EBA 'Guidelines on the application of the definition of default' under Article 178 of Capital Requirements Regulation and ECB Banking Supervision Guidance to Banks on Non-performing loans. Further enhancements were implemented in 2020 in compliance with Article 178(2)(d) of regulation (EU) no 575/2013 in relation to the approach to counting of material days past due. The Group has aligned the definitions of 'non-performing', 'classification of default' and IFRS 9 Stage 3 'credit impaired', with the exception of those loans which have been derecognised and newly originated in Stage 1 or POCI (purchased or originated credit impaired) which are no longer classified as credit impaired but continue to be classified as non-performing and in default. This alignment ensures consistency with the Group's internal credit risk management and assessment practices. Loans are identified as non-performing or defaulted by a number of characteristics. The key criteria resulting in a classification of non-performing are: ▪Where the Group considers a borrower to be unlikely to pay their loans in full without realisation of collateral, regardless of the existence of any past-due amount; or ▪The borrower is 90 days or more past due on any material loan. Day count starts when any material amount of principal, interest or fee has not been paid by a borrower on the due date. The Group's definition of financial distress and forbearance are included in the Group's forbearance policy. Identification and treatment of non-performing exposures and unlikeliness to pay are included in the Group's definition of default and credit impairment policy. Non-performing loans that have received a concession from the Group on terms or conditions will remain in the non-performing probationary period for a minimum of 12 months, and are subject to meeting defined probation criteria before moving to a performing classification. Further details on the Groups non-performing loans are outlined under template 30: EU CR2-A: Changes in the stock of non-performing loans and advances and related net accumulated recoveries.
Article 442 (a) and (b) CRR	b	The extent of past-due exposures (more than 90 days) that are not considered to be impaired and the reasons for this.	In line with the Group's definition of default which is aligned to the EBA 'Guidelines on the application of the definition of default' under Article 178 of Capital Requirements Regulation and ECB Banking Supervision Guidance to Banks on Non-performing loans, all exposures 90 DPD are deemed impaired.
Article 442 (a) and (b) CRR	c	Description of methods used for determining general and specific credit risk adjustments.	The determination of impairment losses and allowance is based on the expected credit loss model under the International Financial Reporting Standard 9 Financial Instruments ("the standard"), where allowances for loan losses are recorded upon initial recognition of the financial asset, based on expectations of potential credit losses at the time of initial recognition. The standard does not prescribe specific approaches to be used in estimating ECL allowances, but stresses that the approach must reflect the following: – An unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes; – Underlying models should be point in time and forward looking – recognising economic conditions; – The ECL must reflect the time value of money; – A lifetime ECL is calculated for financial assets in Stages 2 and 3 and Purchased or Originated Credit Impaired ("POCI"); and – The ECL calculation must incorporate reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions. The standard defines credit loss as the difference between all contractual cash flows that are due to an entity in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate ("EIR") or an approximation thereof (see 'Measurement' section below). ECLs are defined in the standard as the weighted average of credit losses across multiple macroeconomic scenarios, with weights assigned based on the probability of each scenario occurring and are an estimate of credit losses over the life of a financial instrument. The ECL model applies to financial instruments measured at amortised cost or at fair value through other

comprehensive income. In addition, the ECL approach applies to lease receivables, loan commitments and financial guarantee contracts that are not measured at fair value through profit or loss.

A key principle of the ECL model is to reflect any relative deterioration or improvement in the credit quality of financial instruments occurring (e.g. change in the risk of a default). The ECL amount recognised as a loss allowance or provision depends on the extent of credit deterioration since initial recognition together with the impact on credit risk parameters.

Bases of Measurement
Under the standard, there are two measurement bases:
–12-month ECL (Stage 1), which applies to all financial instruments from initial recognition as long as there has been no significant increase in credit risk; and
–Lifetime ECL (Stages 2 and 3 and POCI), which applies when a significant increase in credit risk has been identified on an account (Stage 2), an account has been identified as being credit-impaired (Stage 3) or when an account meets the POCI criteria.

Staging
Financial assets are allocated to stages dependent on credit quality relative to when assets were originated.

Credit risk at origination
Credit risk at origination ("CRAO") is a key input into the staging allocation process. The origination date of an account is determined by the date on which the Group became irrevocably committed to the contractual obligation and the account was first graded on an appropriate model.

For undrawn credit facilities, the Group uses the date of origination as the date when it becomes party to the irrevocably contractual arrangements or irrevocable commitment. For overdrafts which have both drawn and undrawn components, the date of origination is the same for both.

The Group uses best available information for facilities which originated prior to a credit risk rating model or scorecard being in place.

For accounts that originated prior to 1 January 2018, a neutral view of the macroeconomic outlook at the time is used, i.e. where macroeconomic variables are used in the Lifetime PD models, long-run averages are used instead of historical forecasts.

Stage 1 characteristics
Obligations are classified Stage 1 at origination, unless POCI, with a 12 month ECL being recognised. These obligations remain in Stage 1 unless there has been a significant increase in credit risk.

Accounts can also return to Stage 1 if they no longer meet either the Stage 2 or Stage 3 criteria, subject to satisfaction of the appropriate probation periods, in line with regulatory requirements.

Stage 2 characteristics
Obligations where there has been a ‘significant increase in credit risk’ (“SICR”) since initial recognition but do not have objective evidence of credit impairment are classified as Stage 2. For these assets, lifetime ECLs are recognised.

The Group assesses at each reporting date whether a significant increase in credit risk has occurred on its financial obligations since their initial recognition. This assessment is performed on individual obligations rather than at a portfolio level. If the increase is considered significant, the obligation will be allocated to Stage 2 and a lifetime expected credit loss will apply to the obligation. If the change is not considered significant, a 12 month expected credit loss will continue to apply and the obligation will remain in Stage 1.

SICR assessment
The Group’s SICR assessment is determined based on both quantitative and qualitative measures:

Quantitative measure: This measure reflects an arithmetic assessment of the change in credit risk arising from changes in the probability of default. The Group compares each obligation’s annualised average probability weighted residual origination lifetime probability of default (“LTPD”) (see ‘Credit risk at origination’) to its current estimated annualised average probability weighted residual LTPD at the reporting date. If the difference between these two LTPDs meets the quantitative definition of SICR, the Group transfers the financial obligation into Stage 2. Increases in LTPD may be due to credit deterioration of the individual obligation or due to macroeconomic factors or a combination of both. The Group has determined that an account had met the quantitative measure if the average residual LTPD at the reporting date was at least double the average residual LTPD at origination, and the difference between the LTPDs was at least 50bps or 85bps in the case of residential mortgages. The appropriateness of this threshold is kept under review by the Group.

Qualitative measure: This measure reflects the assessment of the change in credit risk based on the Group's credit management and the individual characteristics of the financial asset. This is not model driven and seeks to capture any change in credit quality that may not be already captured by the quantitative criteria. The qualitative assessment reflects pro-active credit management including monitoring of account activity on an individual or portfolio level, knowledge of client behaviour, and cognisance of industry and economic trends. As a result of COVID-19 a suite of additional guidance documents to support identification of significant increase in credit risk have been applied by the Group. This guidance supplements the Group's existing credit risk policies and frameworks.

The criteria for this Qualitative trigger include, for example:
–A downgrade of the borrower's/facility's credit grade reflecting the increased credit management focus on these accounts; and/or
–Forbearance has been provided and the account is within the probationary period.

Lender assessed SICR triggers: The qualitative SICR criteria for non-retail portfolio Stage 2 classification has been enhanced and expanded in the year in relation to the Group's leverage lending portfolio and gross connected exposures >€/£ 10 million in AIB Capital Markets and AIB UK. Further specific qualitative SICR indicators have been identified in order to ensure appropriate and timely identification of increased credit risk, which when occur, trigger a SICR event.

The criteria for this lender assessed trigger include, for example:
–A post distressed restructure payment default occurs where the borrower is neither in default nor forborne;
–A material adverse event has occurred for the borrower which may impact the borrower's ability to repay such as: adverse publicity which raises concerns over the viability of a business; loss of key personnel (CEO/CFO/COO) which raises concerns over the strategy/viability of the business or significant negative macroeconomic events (including but not limited to economic or market volatility, changes in legislation and technological threats to an industry, changes in access to markets) where the financial impact to the borrower is deemed material.

Backstop indicators: The Group has adopted the rebuttable presumption within IFRS 9 that loans greater than 30 days past due represent a significant increase in credit risk.

Where SICR criteria are no longer a trigger, the account can exit Stage 2 and return to Stage 1.

Stage 3 characteristics
Defaulted loans (with the exception of newly originated loans that are in Stage 1 or POCI) are classed as credit impaired and allocated to Stage 3. Where default criteria are no longer met, the borrower exits Stage 3 subject to probation period, in line with regulatory requirements.
The key criteria resulting in a classification of default are:
– Where the Group considers a borrower to be unlikely to pay their loans in full without realisation of collateral, regardless of the existence of any past-due amount; or
– The borrower is 90 days or more past due on any material loan (day count starts when any material amount of principal, interest or fee has not been paid by a borrower at the date it was due).

Identification of non-performing exposures and unlikeliness to pay are included in the Group's Definition of Default and Credit Impairment policy.

Purchased or originated credit impaired (POCI)
POCIs are assets originated credit impaired that have a discount of more than or equal to 5% of the contractual value when measured at fair value. The Group uses an appropriate discount rate for measuring ECL in the case of POCIs which is the credit-adjusted effective interest rate. This rate is used to discount the expected cash flows of such assets to fair value on initial recognition.

POCI obligations remain outside of the normal stage allocation process for the lifetime of the obligation. The ECL for POCI obligations is always measured at an amount equal to lifetime expected credit losses. The amount recognised as a loss allowance for these assets is the cumulative change in lifetime expected credit losses since the initial recognition of the assets rather than the total amount of lifetime expected credit losses.

Measurement of expected credit loss
The measurement of ECL is estimated through one of the following approaches:
i) Standard approach: This approach is used for the majority of exposures where each ECL input parameter (Probability of Default - PD, Loss Given Default - LGD, Exposure at Default - EAD, and Prepayments - PP) is developed in line with standard modelling methodology. The Group's IFRS 9 models have been developed and approved in line with the Group's Model Risk Management Framework.

ii) Simplified approach: For portfolios not on the standard approach, the Group has followed a simplified approach. This approach consists of applying portfolio level ECL averages, drawn from similar portfolios, where it is not possible to estimate individual parameters. These generally relate to portfolios where specific IFRS 9 models have not been developed due to immateriality, low volumes or where there are no underlying grading models. As granular PDs are not available for these portfolios, a non-standard approach to staging is required with reliance on the qualitative criteria (along with the 30 days past due back-stop).

iii) Discounted cash-flows ("DCFs"): Assets are grouped together and modelled based on asset classification and sector with the exception of those Stage 3 assets where a DCF is used. DCFs are used as an input to the ECL calculation for Stage 3 credit impaired exposures where gross credit exposure is ≥ € 1 m (Republic of Ireland) or ≥ £ 500 k (UK). Multiple DCFs are captured where gross credit exposure is ≥ € 15 m (Republic of Ireland) or ≥ £ 10 m (UK) to reflect the case specific impacts of up and downside scenarios for these higher value exposures. Collateral valuations and the estimated time to realisation of collateral is a key component of the DCF model. The Group incorporates forward looking information in the assessment of individual borrowers through the credit assessment process. Where a single DCF is utilised this assessment produces a base case ECL. This is then adjusted to incorporate the impact of multiple scenarios on the base ECL, by using a proportional uplift obtained from ECL modelled sensitivities in the same/similar portfolio. Where a range of scenarios are captured through multiple DCF's these are probability weighted to produce the final ECL.

iv) Management judgement: Where the estimate of ECL does not adequately capture all available forward looking information about the range of possible outcomes, or where there is a significant degree of uncertainty, management judgement may be considered appropriate for an adjustment to ECL. The management adjustment must consider all relevant and supportable information, including but not limited to, historical data analysis, predictive modelling and management experience. The methodology to incorporate the adjustment should consider the degree of any relevant over collateralisation (headroom) and should not result in a zero overall ECL unless there is sufficient headroom to support this.

Effective interest rate

The ECL must incorporate the time value of money discounted to the reporting date using the effective interest rate ("EIR") determined at initial recognition or an approximation thereof.

–The Group uses an approximation approach based on the account level interest rate when calculating ECL which is applied to both drawn and undrawn commitments.

–This approach is subject to an annual assessment that all approximations remain appropriate and do not result in a material misstatement of the ECL.

–The Group has tested the appropriateness of using current interest rates as an approximation for the discount rates required for measuring ECLs. This testing determined that using the current interest rates as the discount rates is an appropriate approximation.

Policy elections and simplifications

Low credit risk exemption

The Group utilises practical expedients, as allowed by IFRS 9, for the stage allocation of particular financial instruments which are deemed 'low credit risk'. This practical expedient permits the Group to assume, without more detailed analysis, that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have 'low credit risk' at the reporting date. The Group allocates such assets to Stage 1.

Under IFRS 9, the credit risk on a financial instrument is considered low if:

–the financial instrument has a low risk of default;

–the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and

–adverse changes in economic business conditions in the longer term may, (but will not necessarily) reduce the ability of the borrower to fulfil its contractual cash flow obligations.

This low credit risk exemption is applied to particular assets within the debt securities investment portfolio and for loans and advances to banks, specifically, assets which have an internal grade equivalent to an external investment grade rating (BBB-) or higher.

If an asset does not meet the above criteria for the low credit risk exemption, further assessment is required to determine stage allocation. If such assets are on a watch list, they are allocated to Stage 2.

Short term cash

The Group's IFRS 9 Impairment Policy does not require calculation of an ECL for short term cash at central banks and other banks which have a low risk of default with a very low risk profile. The calculation of the ECL at each reporting date would be immaterial given these exposures' short term nature and their daily management.

Lease receivables and trade receivables

For lease receivables, the Group has elected to use its standard approach for both stage allocation and the ECL calculation and has elected to use an expedient (simplified approach) for trade receivables.

Credit risk models

Probability of default

Probability of default (“PD”) is the likelihood that an account or borrower defaults over an observation period, given that they are not currently in default. The PD modelling approach uses a combination of rating grades/scores obtained from credit risk models, as outlined on page yy, along with key factors such as the current/recent arrears status or the current/recent forbearance status and macroeconomic factors to obtain the relevant 12 month (Stage 1) and Lifetime (Stage 2) PD.

Loss given default

Loss given default (“LGD”) is a current assessment of the amount that will not be recovered in the event of default, taking account of future conditions. It can be thought of as the difference between the amount owed to the Group (i.e. the exposure) and the net present value of future cash flows less any relevant costs expected to be incurred in the recovery process. If an account returns to performing from default (excluding any loss making concession) or if the discounted post-default recoveries are equal to or greater than the exposure, the realised loss is zero.

The LGD modelling approach depends on whether the facility has underlying security and, if so, the nature of that security. The following sets out the general approaches to the portfolios:

Retail portfolios

For unsecured loans, a cash flow curve, which estimates the cumulative cash received following default until the loan is written-off or returns to performing, is used to estimate the future recovery amount. This is discounted at the effective interest rate and compared to the current outstanding balance. Any shortfall between the recovery amount and the outstanding balance is the LGD used to estimate ECL.

For secured loans, the value of underlying collateral is estimated at the forecasted time of disposal (taking into account forecasted market price growth/falls and haircuts on market values that are expected at the date of sale) in order to calculate the future recovery amount. Estimated costs of disposal are taken into account in this calculation.

Non-retail portfolios

For unsecured loans, characteristics such as borrower sector and nature of collateral linked to affiliated accounts under the same customer group are used to determine future losses based on historical experience of discounted recoveries.

For secured loans, the value of the underlying collateral is estimated at the reporting date. This is used to estimate the ECL based on historical experience of discounted recoveries.

Exposure at default

Exposure at default (“EAD”) is defined as the exposure amount that will be owed by a customer at the time of default. This will comprise changes in the exposure amount between the reporting date and the date that the customer defaults. This may be due to repayments, interest and fees charged and additional drawdowns by the customer.

Prepayments

For term credit products, prepayment occurs where a customer fully prepays an account prior to the end of its contractual term. For revolving credit products, ‘prepayment’ is defined as the cessation of use and withdrawal of the facility provided that the account was not in default prior to closure.

Prepayment is used in the lifetime ECL calculation for Stage 2 loans to account for the proportion of the facilities/customers that prepay each year.

Determining the period over which to measure ECL

Both the origination date and the expected maturity of a facility must be determined for ECL purposes. The origination date is used to measure credit risk at origination (as explained above).

The expected maturity is used for assets in Stage 2, where the ECL must be estimated over the remaining life of the facility.

The expected maturity approach is:

–Term credit products: the contractual maturity date, with exposure and survival probability adjusted to reflect behaviour i.e. amortisation and prepayment;

–Revolving credit products: the period may extend beyond the contractual period over which the Group is exposed to credit risk, e.g. overdrafts and credit cards. The Group’s approach for these is to assume an appropriate remaining term based on the characteristics of the portfolio.

Forward looking indicators in the models

For ECL calculations reliant on models in the standard and simplified approaches, forward looking indicators are incorporated into the models through the use of macroeconomic variables. These have been identified statistically as the key macroeconomic variables that drive the parameter being assessed (e.g. PD or LGD). The final model structure incorporates these as inputs with the 12 month and lifetime calculations utilising the macroeconomic forecasts for each scenario. See ‘macroeconomic scenarios and weightings’ below for more detail on the process for generating scenarios and associated key macroeconomic factors relevant for the models.

Article 442 (a) and (b) CRR	d	The institution’s own definition of a restructured exposure used for the implementation of point (d) of Article 178(3) CRR specified by the EBA Guidelines on default in accordance with Article 178 CRR when different from the definition of forborne exposure defined in Annex V to Commission Implementing Regulation (EU) 680/2014.	The definition of restructured exposures is aligned to the definition of forborne exposures.

28: Template EU CR1 - Performing and non-performing exposures and related provisions

As per Article 442, points (c) and (e) the template below presents gross carrying amount (including accrued interest) of performing and non-performing exposures and the related accumulated impairment, provisions, accumulated change in fair value due to credit risk, accumulated partial write-off, and collateral and financial guarantees received, according to the scope of regulatory consolidation.

The main movements between June 2021 and December 2021 are as follows: 'Cash balances at central banks and other demand deposits' is due to an increase in excess liquidity due to higher customer account balances. The reduction in the period in non-performing loans and ECL was largely due to the non-performing mortgage portfolio sales, which resulted in a € 0.4 bn reduction in non-performing loans.

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
		Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions							Collateral and financial guarantees received	
		Performing exposures			Non-performing exposures			Performing exposures – accumulated impairment and provisions			Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions			Accumulated partial write-off	On performing exposures	On non-performing exposures
			Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3		Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3			
005	Cash balances at central banks and other demand deposits	43,066	43,066	-	-	-	-	(0)	(0)	-	-	-	-	-	-	-
010	Loans and advances	59,596	52,707	6,780	3,129	-	2,888	(945)	(236)	(701)	(942)	-	(918)	(1,082)	41,978	1,809
020	*Central banks*	361	361	-	-	-	-	-	-	-	-	-	-	-	-	-
030	*General governments*	86	86	0	0	-	0	(0)	(0)	(0)	-	-	-	(0)	-	-
040	*Credit institutions*	2,969	2,969	-	-	-	-	(0)	(0)	-	-	-	-	-	2,969	-
050	*Other financial corporations*	1,486	1,374	112	3	-	3	(25)	(4)	(22)	(2)	-	(2)	(1)	936	0
060	*Non-financial*	23,359	18,364	4,920	1,834	-	1,663	(763)	(165)	(598)	(459)	-	(459)	(747)	9,846	1,116
070	*Of which SMEs*	9,849	7,151	2,623	1,155	-	1,154	(316)	(85)	(232)	(308)	-	(308)	(443)	5,964	715
080	*Households*	31,334	29,552	1,748	1,292	-	1,222	(155)	(66)	(81)	(480)	-	(457)	(334)	28,228	693
090	Debt securities	16,821	16,790	31	-	-	-	(4)	(4)	(0)	-	-	-	-	2,201	-
100	*Central banks*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
110	*General governments*	8,382	8,382	-	-	-	-	(1)	(1)	-	-	-	-	-	284	-
120	*Credit institutions*	5,955	5,955	-	-	-	-	(1)	(1)	-	-	-	-	-	318	-
130	*Other financial corporations*	1,806	1,806	-	-	-	-	(0)	(0)	-	-	-	-	-	1,600	-
140	*Non-financial*	678	647	31	-	-	-	(1)	(1)	(0)	-	-	-	-	-	-
150	Off-balance-sheet exposures	14,386	13,568	817	161	-	161	57	21	36	22	-	22		-	-
160	*Central banks*	-	-	-	-	-	-	-	-	-	-	-	-		-	-
170	*General governments*	353	353	0	-	-	-	0	0	0	-	-	-		-	-
180	*Credit institutions*	149	149	0	-	-	-	0	0	0	-	-	-		-	-
190	*Other financial corporations*	359	358	1	0	-	0	2	2	0	-	-	-		-	-
200	*Non-financial*	9,315	8,710	605	141	-	141	47	17	31	21	-	21		-	-
210	*Households*	4,210	3,999	211	20	-	20	8	2	5	1	-	1		-	-
220	***Total***	***133,868***	***126,130***	***7,629***	***3,290***	***-***	***3,049***	***(1,005)***	***(260)***	***(737)***	***(964)***	***-***	***(940)***	***(1,082)***	***44,179***	***1,809***

29: Template EU CR1-A - Maturity of exposures

As per Article 442 point (g) of the template below provides a breakdown of gross carrying amount by residual contractual maturities net of related accumulated impairment, provisions, accumulated change in fair value due to credit risk.

		a	b	c	d	e	f
		Net exposure value					
		On demand	<= 1 year	> 1 year <= 5 years	> 5 years	No stated maturity	Total
1	Loans and advances	1,980	5,540	17,863	35,454	-	60,838
2	Debt securities	-	1,646	6,356	8,815	-	16,817
3	***Total***	***1,980***	***7,186***	***24,219***	***44,270***	***-***	***77,655***

30: Template EU CR2a - Changes in the stock of non-performing loans and advances and related net accumulated recoveries

As per Article 442, points (c) and (f) the template below presents movements of gross carrying amounts (including accrued interest) of non-performing loans and advances during the period. The non-performing values in this template are in accordance with Article 178 Default of an obligor.

The main movements between December 2020 and December 2021 are as follows: The drivers in Outflows from non-performing portfolios was largely due to non-performing mortgage portfolio sales, repayments and improvement into performing status.

		a	b
		Gross carrying amount	Related net accumulated recoveries
10	**Initial stock of non-performing loans and advances**	**4,378**	
20	Inflows to non-performing portfolios	1,947	
30	Outflows from non-performing portfolios	(3,196)	
40	Outflow to performing portfolio	(589)	
50	Outflow due to loan repayment, partial or total	(881)	
60	Outflow due to collateral liquidations	(11)	11
70	Outflow due to taking possession of collateral	-	-
80	Outflow due to sale of instruments	(996)	659
90	Outflow due to risk transfers	-	-
100	Outflows due to write-offs	(105)	
110	Outflow due to other situations	(613)	
120	Outflow due to reclassification as held for sale	-	
130	**Final stock of non-performing loans and advances**	**3,129**	

31: Template EU CQ1 - Credit quality of forborne exposures

As per Article 442 point (c) the template below presents the gross carrying amount (including accrued interest) of forborne exposures and the related accumulated impairment, provisions, accumulated change in fair value due to credit risk, and collateral and financial guarantees received, according to the scope of regulatory consolidation.

The Group's focus continues to be on supporting its existing customers and ensuring they are provided with the appropriate forbearance measures, particularly in the current environment by providing support to customers impacted by COVID-19. This support is reflected in the increased forbearance since June 2021. The non-performing household forbearance decreased reflecting the NPE mortgage portfolio sale since June 2021.

		a	b	c	d	e	f	g	h
		Gross carrying amount/nominal amount of exposures with forbearance measures				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collateral received and financial guarantees received on forborne exposures	
		Performing forborne	Non-performing forborne	Of which defaulted	Of which impaired	On performing forborne exposures	On non-performing forborne exposures		Of which collateral and financial guarantees received on non-performing exposures with forbearance measures
005	Cash balances at central banks and other demand deposits	-	-	-	-	-	-	-	-
010	Loans and advances	2,399	1,934	1,934	1,761	(465)	(544)	2,740	1,218
020	*Central banks*	-	-	-	-	-	-	-	-
030	*General governments*	-	-	-	-	-	-	-	-
040	*Credit institutions*	-	-	-	-	-	-	-	-
050	*Other financial corporations*	51	1	1	1	(19)	(1)	1	-
060	*Non-financial corporations*	1,879	1,045	1,045	874	(417)	(222)	1,811	699
070	*Households*	468	887	887	885	(29)	(322)	928	519
080	Debt Securities	-	-	-	-	-	-	-	-
090	Loan commitments given	90	34	34	34	11	1	-	-
100	***Total***	***2,489***	***1,968***	***1,968***	***1,796***	***(453)***	***(544)***	***2,740***	***1,218***

32: Template EU CQ2 - Quality of forbearance

As per Article 442 point (c) the template below presents the gross carrying amount (includes accrued interest) of forborne loans and advances exposures, according to the scope of regulatory consolidation.

The main movements between December 2020 and December 2021 are as follows: Balances below have reduced due to the sales of non-performing mortgage portfolios completed in the year.

		a
		Gross carrying amount of forborne exposures
10	Loans and advances that have been forborne more than twice	642
20	Non-performing forborne loans and advances that failed to meet the non-performing exit criteria	86

33: Template EU CQ3 - Credit quality of performing and non-performing exposures

As per Article 442 point (d) the template below presents the gross carrying amount/nominal amount (including accrued interest) of performing and non-performing exposures according to the scope of regulatory consolidation. For the on-balance sheet exposures, the template shows the breakdown by past-due band.

The gross non-performing loan ('NPL') ratio at 31 December 2021 was 4.99%. This ratio is calculated, in accordance with Regulation (EU) 2021/637, as the ratio of the gross value of non-performing loans and advances to the gross value of total loans and advances.

The main movements between December 2020 and December 2021 are as follows: Loans and advances gross carrying amount increased during the year due to higher secured lending of € 3.2 bn partially offset by loan disposals of € 1.4 bn (non-performing exposures and UK SME portfolio). Debt Securities decreased € 2.6 bn reflecting sales and maturing bonds exceeding purchases. Off-balance sheet exposures increased in the period by € 1.3 bn predominantly in NFC's.

		a	b	c	d	e	f	g	h	i	j	k	l
		Gross carrying amount/nominal amount											
		Performing exposures			Non-performing exposures								
			Not past due or past due ≤ 30 days	Past due > 30 days ≤ 90 days		Unlikely to pay that are not past due or are past due ≤ 90 days	Past due > 90 days ≤ 180 days	Past due > 180 days ≤ 1 year	Past due > 1 year ≤ 2 years	Past due > 2 years ≤ 5 years	Past due > 5 years ≤ 7 years	Past due > 7 years	Of which defaulted
005	Cash balances at central banks and other demand deposits	43,066	43,066	-	-	-	-	-	-	-	-	-	-
010	Loans and advances	59,596	59,538	58	3,129	1,949	156	229	288	226	59	220	3,129
020	*Central banks*	361	361	-	-	-	-	-	-	-	-	-	-
030	*General governments*	86	86	0	0	0	0	0	0	-	-	-	0
040	*Credit institutions*	2,969	2,969	-	-	-	-	-	-	-	-	-	-
050	*Other financial corporations*	1,486	1,486	0	3	1	0	0	0	0	0	1	3
060	*Non-financial corporations*	23,359	23,340	19	1,834	1,303	93	127	135	65	32	79	1,834
070	*Of which SMEs*	9,849	9,838	11	1,155	802	86	81	77	52	18	40	1,155
080	*Households*	31,334	31,295	39	1,292	646	64	102	153	161	28	139	1,292
090	Debt securities	16,821	16,821	-	-	-	-	-	-	-	-	-	-
100	*Central banks*	-	-	-	-	-	-	-	-	-	-	-	-
110	*General governments*	8,382	8,382	-	-	-	-	-	-	-	-	-	-
120	*Credit institutions*	5,955	5,955	-	-	-	-	-	-	-	-	-	-
130	*Other financial corporations*	1,806	1,806	-	-	-	-	-	-	-	-	-	-
140	*Non-financial corporations*	678	678	-	-	-	-	-	-	-	-	-	-
150	Off-balance-sheet exposures	14,386			161								161
160	*Central banks*	-			-								-
170	*General governments*	353			-								-
180	*Credit institutions*	149			-								-
190	*Other financial corporations*	359			0								0
200	*Non-financial corporations*	9,315			141								141
210	*Households*	4,210			20								20
220	***Total***	***133,868***	***119,424***	***58***	***3,290***	***1,949***	***156***	***229***	***288***	***226***	***59***	***220***	***3,290***

34: Template EU CQ4 - Quality of non-performing exposures by geography

As per Article 442, points (c) and (e) the template below presents gross carrying amount (includes accrued interest) of performing and non-performing exposures and the related accumulated impairment, provisions and accumulated change in fair value due to credit risk, according to the scope of regulatory consolidation.

The on-balance sheet exposure is a total of debt securities and loans and advances only. This balance excludes cash balances at central banks and other demand deposits. Individual countries disclosed based on combined on and off-balance sheet exposures reflect the top 10 country exposures and represent greater than 96% of total exposure.

		a	b	c	d	e	f	g
		Gross carrying/nominal amount				Accumulated impairment	Provisions on off-balance-sheet commitments and financial guarantees given	Accumulated negative changes in fair value due to credit risk on non-performing exposures
			Of which non-performing		Of which subject to impairment			
				Of which defaulted				
010	***On-balance-sheet exposures***	***79,545***	***3,129***	***3,129***	***79,301***	***(1,890)***		-
020	*Ireland*	51,815	2,283	2,283	51,573	(1,487)		-
030	*United Kingdom*	12,616	642	642	12,616	(265)		-
040	*United States*	3,266	13	13	3,266	(47)		-
050	*France*	3,105	0	0	3,105	(8)		-
060	*Canada*	1,578	0	0	1,578	(5)		-
061	*Spain*	1,197	0	0	1,197	(9)		-
062	*Luxembourg*	833	161	161	832	(37)		-
063	*Netherlands*	772	3	3	772	(3)		-
064	*Australia*	586	2	2	586	(2)		-
065	*Germany*	465	1	1	465	(2)		-
070	*Other countries* [1]	3,312	23	23	3,312	(25)		-
080	***Off-balance-sheet exposures***	***14,547***	***161***	***161***			***79***	
090	*Ireland*	11,313	99	99			63	
100	*United Kingdom*	2,629	52	52			13	
110	*United States*	121	0	0			2	
120	*France*	171	0	0			0	
130	*Canada*	6	0	0			0	
131	*Spain*	30	0	0			0	
132	*Luxembourg*	80	3	3			0	
133	*Netherlands*	47	7	7			0	
134	*Australia*	3	0	0			0	
135	*Germany*	26	0	0			0	
140	*Other countries* [2]	121	0	0			0	
150	***Total***	***94,092***	***3,290***	***3,290***	***79,301***	***(1,890)***	***79***	-

[1] Other countries comprise exposures with Algeria, Andorra, Austria, Bahamas, Bahrain, Bangladesh, Belgium, Bermuda, Brazil, British Indian Ocean Territory, British Virgin Islands, Bulgaria, Cayman Islands, Chile, China, Colombia, Congo, Costa Rica, Croatia, Cyprus, Czech Republic, Denmark, Egypt, Estonia, Ethiopia, Finland, Gambia, Greece, Guernsey, Guinea, Holy See (Vatican City State), Hong Kong, Hungary, Iceland, India, Indonesia, Isle of Man, Israel, Italy, Jamaica, Japan, Jersey, Jordan, Kenya, Kuwait, Latvia, Liberia, Liechtenstein, Lithuania, Malawi, Malaysia, Marshall Islands, Mauritius, Mexico, Monaco, Montserrat, Morocco, New Zealand, Nicaragua, Norway, Oman, Other Countries (exposures with Supranational organisations), Pakistan, Panama, Paraguay, Philippines, Poland, Portugal, Province of China Taiwan, Qatar, Romania, Republic of Korea, Russian Federation, Saudi Arabia, Singapore, Slovakia, Slovenia, South Africa, Sweden, Switzerland, Thailand, Turkey, United Arab Emirates, Yemen, and Zimbabwe.

[2] Other countries comprise exposures with Andorra, Argentina, Austria, Bahamas, Bahrain, Bangladesh, Belgium, Belize, Bermuda, Bosnia and Herzegovina, Brazil, British Indian Ocean Territory, British Virgin Islands, Bulgaria, Cayman Islands, Chile, China, Colombia, Costa Rica, Croatia, Cyprus, Czech Republic, Denmark, Ecuador, Egypt, Estonia, Ethiopia, Fiji, Finland, Georgia, Ghana, Greece, Guernsey, Guinea, Holy See (Vatican City State), Hong Kong, Hungary, India, Isle of Man, Israel, Italy, Jamaica, Japan, Jersey, Jordan, Kenya, Kuwait, Latvia, Lebanon, Liberia, Liechtenstein, Lithuania, Malawi, Malaysia, Malta, Mauritius, Mayotte, Mexico, Monaco, Montserrat, Morocco, Nepal, New Zealand, Nicaragua, Norway, Oman, Pakistan, Paraguay, Philippines, Poland, Portugal, Province of China Taiwan, Puerto Rico, Qatar, Republic of Korea, Reunion, Romania, Russian Federation, Saudi Arabia, Seychelles, Singapore, Slovakia, Slovenia, South Africa, Sri Lanka, Sweden, Switzerland, Tanzania, Thailand, Turkey, Turks And Caicos Islands, Uganda, Ukraine, United Arab Emirates, Zambia, and Zimbabwe.

35: Template EU CQ5 - Credit quality of loans and advances to non-financial corporations by industry

As per Article 442, points (c) and (e) the template below presents gross carrying amount (including accrued interest) of loans and advances to non-financial corporations by industry and the related accumulated impairment and accumulated change in fair value due to credit risk, according to the scope of regulatory consolidation.

The main movements between June 2021 and December 2021 are as follows: The 'Construction' and the 'Transport and storage' sectors has increased driven by an increase in property lending and increased demand for logistics and warehousing to deal with increased online retail purchasing, respectively. This increase is offset by a decrease in 'Accommodation and food service activities' and 'Human health services and social work activities '.

		a	b	c	d	e	f
		Gross carrying amount				Accumulated impairment	Accumulated negative changes in fair value due to credit risk on non-performing exposures
			Of which non-performing		Of which loans and advances subject to impairment		
				Of which defaulted			
010	Agriculture, forestry and fishing	1,659	92	92	1,659	(59)	-
020	Mining and quarrying	26	2	2	26	(2)	-
030	Manufacturing	2,547	57	57	2,547	(53)	-
040	Electricity, gas, steam and air conditioning supply	1,853	0	0	1,853	(28)	-
050	Water supply	232	5	5	232	(5)	-
060	Construction	1,694	37	37	1,694	(49)	-
070	Wholesale and retail trade	1,724	147	147	1,724	(111)	-
080	Transport and storage	1,343	31	31	1,343	(46)	-
090	Accommodation and food service activities	2,966	529	529	2,966	(446)	-
100	Information and communication	1,141	33	33	1,141	(35)	-
110	Financial and insurance actvities	-	-	-	-	-	-
120	Real estate activities	6,000	739	739	5,756	(253)	-
130	Professional, scientific and technical activities	768	29	29	768	(31)	-
140	Administrative and support service activities	240	15	15	240	(18)	-
150	Public administration and defense, compulsory social security	-	-	-	-	-	-
160	Education	228	8	8	228	(8)	-
170	Human health services and social work activities	1,566	63	63	1,566	(32)	-
180	Arts, entertainment and recreation	421	27	27	421	(19)	-
190	Other services	786	19	19	786	(28)	-
200	***Total***	***25,193***	***1,834***	***1,834***	***24,949***	***(1,223)***	**-**

36: Template EU CQ6 - Collateral valuation - loans and advances

As per Article 442 point (c) the template below presents gross carrying amount (including accrued interest) on loans and advances and the related accumulated impairment, collateral and financial guarantees received, and partial write-offs, according to the scope of regulatory consolidation.

The main movements between December 2020 and December 2021 are as follows: Loans and advances gross carrying amount (of which secured) increased due to higher secured lending of € 3.2 bn partially offset by loan disposals of € 1.4 bn (non-performing exposures and UK SME portfolio). There was positive movements in the LTV banding due to increases in house prices and loan repayments.

		a	b	c	d	e	f	g	h	i	j	k	l
		Loans and advances											
			Performing		Non-performing								
						Unlikely to pay that are not past due or are past due ≤ 90 days	Past due > 90 days						
				Of which past due > 30 days ≤ 90 days				Of which past due > 90 days ≤ 180 days	Of which: past due > 180 days ≤ 1 year	Of which: past due > 1 years ≤ 2 years	Of which: past due > 2 years ≤ 5 years	Of which: past due > 5 years ≤ 7 years	Of which: past due > 7 years
10	Gross carrying amount	62,724	59,596	58	3,129	1,949	1,179	156	229	288	226	59	220
20	*Of which secured*	45,707	43,304	42	2,403	1,631	772	115	155	169	118	50	166
30	*Of which secured with immovable*	38,073	35,946	41	2,127	1,406	720	108	131	163	111	48	158
40	*Of whi ch inst ru me*	8,914	8,628		285	166	119						
50	*Of whi ch inst ru me*	1,349	1,236		113	69	45						
60	*Of whi ch inst*	323	269		54	24	30						
70	Accumulated impairment for secured assets	(1,119)	(557)	(2)	(562)	(306)	(256)	(18)	(26)	(55)	(64)	(21)	(72)
80	Collateral												
90	*Of which value capped at the value of exposure*	43,040	41,278	38	1,761	1,266	495	91	125	113	50	27	90
100	*Of which immovable*	36,726	35,114	38	1,613	1,140	473	90	109	110	50	26	88
110	*Of which value above the cap*	80,518	74,762	84	5,756	3,971	1,785	164	214	294	307	175	632
120	*Of which immovable*	73,619	68,037	84	5,582	3,869	1,713	161	208	287	297	172	588
130	Financial guarantees received	747	699	1	48	39	8	5	1	1	0	0	2
140	Accumulated partial write-off	(1,082)	(15)	(15)	(1,068)	(39)	(1,029)	(7)	(5)	(3)	(18)	(68)	(927)

37: Template EU CQ7 - Collateral obtained by taking possession and execution processes

As per Article 442 point (c) the template below presents information on the instruments that were cancelled in exchange for the collateral obtained by taking possession and on the value of the collateral obtained by taking possession.

There are no significant changes since 31 December 2020.

		a	b
		Collateral obtained by taking possession	
		Value at initial recognition	Accumulated negative changes
010	Property, plant and equipment (PP&E)	-	-
020	Other than PP&E	6	-
030	*Residential immovable property*	6	-
040	*Commercial Immovable property*	-	-
050	*Movable property (auto, shipping, etc.)*	-	-
060	*Equity and debt instruments*	-	-
070	*Other collateral*	-	-
080	***Total***	***6***	**-**

38: Template EU CQ8 - Collateral obtained by taking possession and execution processes – vintage breakdown

As per Article 442 point (c) the template below presents information on the instruments that were cancelled in exchange for the collateral obtained by taking possession and on the value of collateral obtained by taking possession.

		a	b	c	d	e	f	g	h	i	j	k	l
		Debt balance reduction		Total collateral obtained by taking possession									
						Foreclosed ≤ 2 years		Foreclosed > 2 years ≤ 5 years		Foreclosed > 5 years		Of which non-current assets held-for-sale	
		Gross carrying amount	Accumulated negative changes	Value at initial recognition	Accumulated negative changes	Value at initial recognition	Accumulated negative changes	Value at initial recognition	Accumulated negative changes	Value at initial recognition	Accumulated negative changes	Value at initial recognition	Accumulated negative changes
010	Collateral obtained by taking possession classified as PP&E	-	-	-	-								
020	Collateral obtained by taking possession other than that classified as PP&E	6	-	6	-	2	-	3	-	1	-	6	-
030	*Residential immovable property*	6	-	6	-	2	-	3	-	1	-	6	-
040	*Commercial immovable property*	-	-	-	-	-	-	-	-	-	-	-	-
050	*Movable property (auto, shipping, etc.)*	-	-	-	-	-	-	-	-	-	-	-	-
060	*Equity and debt*	-	-	-	-	-	-	-	-	-	-	-	-
070	*Other collateral*	-	-	-	-	-	-	-	-	-	-	-	-
080	***Total***	***6***	***-***	***6***	***-***	***2***	***-***	***3***	***-***	***1***	***-***	***6***	***-***

Chapter 9. Disclosure of the use of credit risk mitigation techniques

39: Table EU CRC – Qualitative disclosure requirements related to CRM techniques

As per Article 453, points (a) to (e), table EU CRC provides qualitative information on the mitigation of credit risk.

Legal basis	Row number	Qualitative information	
Article 453(a)	(a)	A description of the core features of the policies and processes for on- and off-balance sheet netting and an indication of the extent to which institutions make use of balance sheet netting;	Risk mitigation techniques, as set out in credit policies, are used in the management of credit portfolios. Financial assets and financial liabilities are offset and the net amount reported on the statement of financial position if, and only if, there is a currently enforceable legal right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. AIB mitigates counterparty credit risk arising from derivative and repurchase exposures through the use of market standard netting agreements and collateral in the case of repurchase agreements (for example, International Swaps and Derivatives Association ("ISDA") master agreements and Global Master Repurchase Agreements ("GMRA")). Where supported by legal analysis on enforceability, AIB exposure to the counterparty is netted against amounts the counterparty owes AIB in accordance with relevant regulatory and internal policies.
Article 453(b)	(b)	The core features of policies and processes for eligible collateral evaluation and management;	Details on the valuation rule methodologies applied and processes used to assess the value of property assets taken as collateral are described in the Group Property Valuation Policy and Property Valuation Guidance. Both documents were reviewed and updated in 2021 due to changes required under the EBA Guidelines on Loan Origination & Monitoring which came into effect on 1 July 2021. The Group has updated property valuation guidance to assist case managers in determining market values given current COVID-19 related market uncertainty on impacted sectors. As property loans, including residential mortgages, represent a significant concentration within the Group's loans and advances to customer's portfolio, some key principles have been applied in respect of the valuation of property collateral held by the Group. In accordance with the Group Property Valuation Policy and Guidelines, the Group employs a number of methods to assist in reaching appropriate valuations for property collateral held. External Valuation firms on the Group's Valuers Panel, are engaged by the Group to undertake valuations of Immovable Property collateral in accordance with the rules set out in the Group Property Valuation Policy. The residual value analysis methodology assesses the value of the asset after meeting the incremental costs to complete the development. This approach looks at the cost of developing the asset to determine the residual value for the Group, including covering the costs to complete and additional funding costs. The key factors considered in this methodology include: i.the development potential given the location of the asset; ii.its current or likely near term planning status; iii.levels of current and likely future demand; iv.the relevant costs associated with the completion of the project; and v.expected market prices of completed units. If, following internal considerations which may include consultations with valuers, it is concluded that the optimal value for the Group will be obtained through the development/completion of the project, a residual value methodology is used. When, in the opinion of the Group, the land is not likely to be developed or it is non-commercial to do so, agricultural values may be applied. Alternative use value (subject to planning permission) may also be considered. Independent professional internal valuations are completed in limited circumstances (e.g. agricultural land) using a desktop valuation approach by professional qualified internal valuers who are independent of the credit process. The assets being valued by this means must have an independent professional external valuation completed within the past 3 years. In the context of other internal methodologies, appropriate yields are applied to current rentals in valuing investment property. When assessing properties that are used for operational business or trading purposes, these are generally valued by applying a multiple to stabilised EBITDA, e.g. hotels and nursing homes. For licensed premises, these are valued by applying a multiple to stabilised net turnover or if available stabilised EBITDA. When assessing the value of residential properties, the Central Statistics Office ("CSO") Residential Property Price index in the Republic of Ireland and the UK Nationwide index for Great Britain and Northern Ireland is used. The value of property collateral is assessed at loan origination and at certain stages throughout the credit life cycle in accordance with the Group Property Valuation Policy e.g. at annual review where required.

Article 453(c)	(c)	A description of the main types of collateral taken by the institution to mitigate credit risk;	Credit risk mitigation may include a requirement to obtain collateral as set out in the Group's lending policies. Where collateral and/or guarantees are required, they are usually taken as a secondary source of repayment in the event of a borrower's default. Guarantors typically include corporates, individuals, financial institutions and sovereigns. Their creditworthiness is assessed on an individual case- by-case basis. The Group maintains policies which detail the acceptability of specific classes of collateral. The principal collateral types for loans and advances are: Charges over business assets such as premises, inventory and accounts receivable; Charges over moveable assets such as plant & machinery, marine vessels etc.; Mortgage / legal charge over residential and commercial real estate; and Charges over financial instruments such as debt securities and equities.
Article 453(d)	(d)	For guarantees and credit derivatives used as credit protection, the main types of guarantor and credit derivative counterparty and their creditworthiness used for the purposes of reducing capital requirements, excluding those used as part of synthetic securitisation structures;	The perceived strength of a borrower's repayment capacity is the primary factor in granting a loan. The Group uses various approaches to help mitigate risks relating to individual credits, including transaction structure, collateral and guarantees. Collateral and/or guarantees are usually required as a secondary source of repayment in the event of a borrower's default. At a portfolio level, credit risk is assessed in relation to the degree of name, sector and geographic concentration. Changes in concentrations are tracked on a regular basis across the Group's loan portfolio. Where potential risk concentrations are identified, the risk capital implications are assessed and, where appropriate, risk mitigation options (e.g. disposals, securitisations, hedging strategies) are considered. The main types of collateral for loans and advances to customers are described under point (b) above. Credit policy and credit management standards are controlled and set centrally by the credit risk function.
Article 453(e)	(e)	Information about market or credit risk concentrations within the credit mitigation taken;	See point (d) above.

40: Template EU CR3 - CRM techniques overview: Disclosure of the use of credit risk mitigation techniques

As per Article 453 point (f) this template includes all collateral, financial guarantees and credit derivatives used as credit risk mitigants for all secured exposures, irrespective of whether the standardised approach or the IRB approach is used for RWEA calculation. Any secured exposures by collateral or financial guarantees (eligible or not eligible as CRM techniques under Part Three, Title II, Chapter 4 of the CRR) have been disclosed.

The main movements between June 2021 and December 2021 are as follows: The unsecured carrying amount increased € 4.0 bn and this is primarily driven by increased balances with Central Banks. This is due to an increase in excess liquidity due to higher customer account balances. Debt securities increased € 0.5 bn in the second half of the year primarily in asset backed securities, supranational banks and government agencies. The reduction in non-performing exposures was largely due to the sales of non-performing mortgage portfolios € 0.4 bn.

		Unsecured carrying amount	Secured carrying amount			
				Of which secured by collateral	Of which secured by financial guarantees	
						Of which secured by credit derivatives
		a	b	c	d	e
1	Loans and advances	62,003	43,787	43,040	747	-
2	Debt securities	14,619	2,201	1,884	318	
3	Total	76,622	45,988	44,924	1,065	-
4	*Of which non-performing exposures*	1,320	1,809	1,761	48	-
EU-5	*Of which defaulted*	1,320	1,809			

Chapter 10. Disclosure of the use of the standardised approach

41: Table EU CRD – Qualitative disclosure requirements related to standardised model

As per Article 444, points (a) to (d), the table below outlines AIB's use of external credit ratings under the standardised approach for credit risk.

Legal basis	Row number	Qualitative information	
Article 444 (a) CRR	(a)	Names of the external credit assessment institutions (ECAIs) and export credit agencies (ECAs) nominated by the institution, and the reasons for any changes over the disclosure period;	Under CRD, institutions are permitted to determine the risk weight of an exposure with reference to the credit assessments of external credit assessment institutions ("ECAIs")(1). AIB uses the following ECAIs to assess the credit risk of certain exposures under the standardised approach: - Standard & Poor's Rating Services ("S&P") - Fitch Ratings ("Fitch") - Moody's Investors Service ("Moody's") - Dominion Bond Rating Service ("DBRS")
Article 444 (b) CRR	(b)	The exposure classes for which each ECAI or ECA is used;	ECAIs are used for the calculation of RWA for standardised institutions balances with external banks.
Article 444 (c) CRR	(c)	A description of the process used to transfer the issuer and issue credit ratings onto comparable assets items not included in the trading book;	Not applicable there is no transfer of issuer and issue credit ratings onto comparable assets.
Article 444 (d) CRR	(d)	The association of the external rating of each nominated ECAI or ECA (as referred to in row (a)) with the risk weights that correspond with the credit quality steps as set out in Chapter 2 of Title II of Part Three CRR (except where the institution complies with the standard association published by the EBA).	AIB uses a combination of the credit weightings assigned by the ECAIs and mapping guidelines issued by the Central Bank of Ireland to map the exposures to the appropriate credit quality assessment step. These guidelines are identical to those issued by the European Banking Authority ("EBA"). The ratings applied to the credit quality assessment steps are outlined in the table below. Where there are no available credit assessments to map to a credit quality assessment step, the Group assigns risk weights to these exposures in accordance with the CRD requirements for unrated exposures.

Credit Quality Step	**S&P/Fitch/DBRS**	**Moody's**
Credit quality assessment step 1	AAA to AA	Aaa to Aa3
Credit quality assessment step 2	A+ to A-	A1 to A3
Credit quality assessment step 3	BBB+ to BBB-	Baa1 to Baa3
Credit quality assessment step 4	BB+ to BB-	Ba1 to Ba3
Credit quality assessment step 5	B+ to B-	B1 to B3
Credit quality assessment step 6	CCC+ and below	Caa1 and below

42: Template EU CR4 - Standardised approach - Credit risk exposure and CRM effects

As per Article 453, points (g), (h) and (i) and Article 444 point (e), the template below shows credit risk exposures net of specific credit risk adjustments under the standardised approach both before and after credit risk mitigation (CRM) and credit conversion factors (CCF) and the associated RWAs and RWAs density, split by exposure class.
The template excludes counterparty credit risk and securitisation exposures.

Total exposures post CCF and post CRM increased by € 3.3 bn during H2 2021 mainly due to € 3.5 bn increase in Central government or central banks exposures as a result of the Group's excess funding and liquidity position and € 0.3 bn of cash awaiting settlement in relation to loan sales. This was partially offset by loans sales of €0.4 bn and repayments outpacing new business.

A number of government issued guarantee schemes were introduced during the COVID-19 pandemic, as a CRM measure which results in exposures after the use of CRM moving from corporate, retail, high rIsk and exposures in default to central governments or central banks.

	Exposure classes	Exposures before CCF and before CRM		Exposures post CCF and post CRM		RWAs and RWAs density	
		On-balance-sheet exposures	Off-balance-sheet exposures	On-balance-sheet exposures	Off-balance-sheet exposures	RWAs	RWAs density (%)
		a	b	c	d	e	f
1	Central governments or central banks	41,419	-	42,056	-	148	0.35 %
2	Regional government or local authorities	5	284	5	0	1	20.00 %
3	Public sector entities	-	-	-	-	-	- %
4	Multilateral development banks	-	-	-	-	-	- %
5	International organisations	-	-	-	-	-	- %
6	Institutions	74	-	74	-	15	20.00 %
7	Corporates	6,220	2,735	6,032	628	6,232	93.57 %
8	Retail	4,389	4,104	4,043	67	2,853	69.41 %
9	Secured by mortgages on immovable property	15,989	1,548	15,989	605	8,944	53.90 %
10	Exposures in default	1,550	92	1,516	20	1,976	128.68 %
11	Exposures associated with particularly high risk	1,145	559	1,122	237	2,039	150.00 %
12	Covered bonds	-	-	-	-	-	- %
13	Institutions and corporates with a short-term credit assessment	-	-	-	-	-	- %
14	Collective investment undertakings	-	-	-	-	-	- %
15	Equity	275	-	275	-	488	177.32 %
16	Other items	2,899	-	2,899	-	1,415	48.82 %
17	**TOTAL**	**73,964**	**9,321**	**74,010**	**1,556**	**24,110**	**31.91 %**

43: Template EU CR5 - Standardised approach

As per Article 444 point (e) the template below analyses exposures at default (EAD) under the standardised approach by risk weight, split by exposure class. All amounts presented are post CRM and CCF and net of specific credit risk adjustments but exclude counterparty credit risk and securitisation exposures.

Total exposures post CCF and post CRM increased by € 3.3 bn during H2 2021 mainly due to € 3.5 bn increase in central government or central banks exposures as a result of the Group's excess funding and liquidity position and € 0.3 bn of cash awaiting settlement in relation to loan sales. This was partially offset by loans sales of € 0.4 bn and repayments outpacing new business.

	Exposure classes	**Risk weight**															**Total**	**Of which unrated**
		0 %	**2 %**	**4 %**	**10 %**	**20 %**	**35 %**	**50 %**	**70 %**	**75 %**	**100 %**	**150 %**	**250 %**	**370 %**	**1250 %**	**Others**		
		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q
1	Central governments or central banks	41,997	-	-	-	-	-	-	-	-	-	-	59	-	-	-	42,056	
2	Regional government or local authorities	-	-	-	-	5	-	-	-	-	-	-	-	-	-	-	5	5
3	Public sector entities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	International organisations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Institutions	-	-	-	-	74	-	-	-	-	-	-	-	-	-	-	74	74
7	Corporates	-	-	-	-	-	-	-	-	-	6,660	-	-	-	-	-	6,660	6,660
8	Retail exposures	-	-	-	-	-	-	-	-	4,110	-	-	-	-	-	-	4,110	4,110
9	Exposures secured by mortgages on immovable property	-	-	-	-	-	11,523	-	-	-	5,071	-	-	-	-	-	16,594	16,594
10	Exposures in default	-	-	-	-	-	-	-	-	-	655	881	-	-	-	-	1,536	1,536
11	Exposures associated with particularly high risk	-	-	-	-	-	-	-	-	-	-	1,359	-	-	-	-	1,359	1,359
12	Covered bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Exposures to institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Units or shares in collective investment undertakings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Equity exposures	-	-	-	-	-	-	-	-	-	133	-	142	-	-	-	275	275
16	Other items	1,369	-	-	-	142	-	1	-	-	1,386	-	-	-	-	0	2,899	2,899
17	**TOTAL**	**43,367**	**-**	**-**	**-**	**221**	**11,523**	**1**	**-**	**4,110**	**13,905**	**2,240**	**201**	**-**	**-**	**0**	**75,567**	**33,511**

Chapter 11. Disclosure of the use of the IRB approach to credit risk

44: Table EU CRE – Qualitative disclosure requirements related to IRB approach

As per Article 452 the table below outlines AIB's use of the IRB Approach to credit risk.

Legal basis	Row number	Qualitative information	
Article 452 (a) CRR	(a)	The competent authority's permission of the approach or approved transition	The Group is approved by the Central Bank of Ireland and European Central bank to use the internal ratings based (IRB) approach for a number of portfolios. Portfolios approved for IRB use are detailed in more detail in row (e) below. All other credit risk related exposure is covered under the Standardised approach (see table EU CR6-A for full breakdown of exposures using the standardised approach).
Article 452 (c) CRR	(b)	(c) The control mechanisms for rating systems at the different stages of model development, controls and changes, which shall include information on: (i) the relationship between the risk management function and the internal audit function; (ii) the rating system review; (iii) procedure to ensure the independence of the function in charge of reviewing the models from the functions responsible for the development of the models; (iv) the procedure to ensure the accountability of the functions in charge of developing and reviewing the models	AIB has a Group Model Risk Management Framework and underpinning Model Risk Policies which include rules across the Model Risk lifecycle which align to regulatory requirements. AIB operates a 3 Lines of Defence (LOD) model in which Model Development is classified as a first line of defence (1LOD) activity with Model Validation sitting in the second line of defence (2LOD) and Group Internal Audit sitting in the third line of defence (3LOD). The Head of Model Validation reports directly to the Chief Risk Officer with the Head of IRB Development reporting to the Head of Group Risk Analytics. The Policies describe minimum rules & criteria that model development and validation must follow. The IRB Model Validation Standard sets out the tests and thresholds required for IRB models. The Group Model Risk Management Policy clarifies that the head of validation signs off on the model validation report and presents the validation information to committee for information to inform a decision on model use. AIB operates under a Model Risk lifecycle which covers: initiation, data, development, validation, implementation, use and monitoring. There are governance steps and controls at every stage of the lifecycle. For example, a model initiation must be approved by the Highest Approval Authority prior to commencing model build. For model approval the key control is Model Validation independently assessing a model to ensure it is fit for purpose. Each role holder across the model lifecycle is accountable for ensuring adherence to the Group Model Risk Management Framework. There must be a representative from model development and validation present at committees when the models are for approval ensuring accountability of the role holder.
Article 452 (d) CRR	(c)	The role of the functions involved in the development, approval and subsequent changes of the credit risk models;	Model Development in conjunction with the Model Operator are responsible for bringing a model that is fit for business use for approval. This model is then reviewed independently by Model Validation who assess the model. These are the three key role holders for IRB models. The outcome of the validation review plays a key role in advising committee members on its approval for use. Material changes to IRB models must be validated and reported to the highest approval authority for approval. Clear rules for IRB model changes are in place, via the Group IRB Model Risk Policy, with a quarterly submission to the regulator to notify of any changes to the IRB model suite. Any change to an IRB model must be communicated to the model highest approval authority which is Risk Measurement Committee (RMC). This committee has received delegated authority from the Management Body to approve IRB models.

Article 452 (e) CRR	(d)	The scope and main content of the reporting related to credit risk models;	IRB Models are subject to annual Periodic Validation as well as quarterly Model Monitoring. Outputs from these activities are communicated through the model risk governance committees. The reporting typically covers: Overall Model Performance, Stability, Model Overrides, and Calibration.
Article 452 (f) CRR	(e)	A description of the internal ratings process by exposure class, including the number of key models used with respect to each portfolio and a brief discussion of the main differences between the models within the same portfolio, covering: (i) the definitions, methods and data for estimation and validation of PD, which shall include information on how PDs are estimated for low default portfolios, whether there are regulatory floors and the drivers for differences observed between PD and actual default rates at least for the last three periods; (ii) where applicable, the definitions, methods and data for estimation and validation of LGD, such as methods to calculate downturn LGD, how LGDs are estimated for low default portfolio and the time lapse between the default event and the closure of the exposure; (iii) where applicable, the definitions, methods and data for estimation and validation of credit conversion factors, including assumptions employed in the derivation of those variables.	AIB has approval to operate IRB models covering the following portfolios: 1) Mortgages (Advanced) – PDx2, LGD & EAD 2) Commercial SME (Foundation) - PD 3) Corporate & Corporate specialised lending (Foundation) - PDx3 4) Banks and Sovereign (Foundation) - PDx2 AIB has approval for Permanent Partial Use (PPU) for a number of portfolios which can largely be categorised under the below areas: 1.Exposure to Irish Sovereign 2.Retail Portfolios including Overdrafts and Personal Loans 3.Non-Retail Portfolios including (1) Corporate exposures not within the scope of the IRB Corporate PD model and (2) RoI Land and Development 4.UK Portfolio These portfolios are subject to Standardised capital treatment. As part of the Phase 2 IRB Rollout plan a number of portfolios above are expected to transition to IRB including: EBS Mortgages, Investment Property, Retail Portfolios referenced above and UK Portfolio, noting that the Phase 1 Rollout plan covers live models which will take precedence over the Phase 2 complement. An IRB rating system encompasses all of the methods, processes, controls, data collection and IT systems that support the assessment of credit risk, and assignment of exposures to rating grades, in addition to the PD, EAD and LGD models. Probability of default (PD) is the probability of default of an obligor (customer) (Non Retail) or exposure (Retail) over a one year period. The models in the Retail/Commercial portfolios are historically high default areas and as such have a common core methodology. These models are built using logistic regression scorecards for risk differentiation with the output calibrated to a long run average default rates. The models use behaviour on AIB accounts (Retail) and Financial/Expert Judgment (Non-Retail) data. The non-Retail portfolios are by nature low default portfolios and as such typically follow a common methodology (this tends to be mainly driven by expert judgement and statistical techniques including logistical regression) noting that each model is unique as assessed on its own merits. Where external rating agency grades are available (primarily Bank & Sovereign) these are used in both the estimation and validation of estimates. A regulatory 125% Risk Weight floor is currently in place for the Syndicated and International Finance portfolio (part of the Corporate IRB Model). For the Corporate Portfolio there are 3 PD models: one Corporate model covering the majority of exposure and two specialised lending models including Project Finance (Project Finance deals include but are not limited to Public Private Partnerships (schools, hospitals and prisons), toll roads, power plants and pipelines) and Not for Profit (covers exposure to Not for Profit Organisations). Loss given default (LGD) is the ratio of the loss on an exposure due to the default of a counterparty to the amount outstanding at default. A workout approach for LGD models is the Group's preferred approach. AIB currently has permission to use LGD models only for the performing AIB ROI Mortgage portfolio. Downturn adjustments in this model are applied through adjustments to house price index. A new model is currently with the ECB for approval. AIB does not have IRB LGD models for Low Default Portfolios. Exposure at default (EAD) is the amount outstanding to a counterparty at the time of default. Credit conversion factor (CCF) is the ratio of the currently undrawn amount of a commitment that could be drawn and that would therefore be outstanding at default to the currently undrawn amount of the commitment (being the higher of the advised and unadvised limit). The only CCF model currently approved is the Pipeline Mortgage model; this is primarily based on the length of time that the facility has been committed but remains undrawn. All models will use the latest available internal AIB definition of default at the time of model build. Material changes in the definition of default since the build (more than three periods ago) of the models is the key reason for deviation between PD and Observed Default Rate (ODR), scalars are in place pending the development / approval of new models where there is an underestimation of the relevant risk parameters. The Bank & Sovereign models were recalibrated in 2021 to address these deficiencies. The Model Validation Team review the adequacy of any scalars on an annual basis. Model Validation perform an annual periodic validation on IRB models (PD, LGD & EAD) which includes a review of: model performance, model use and data quality checks. For new models or material changes to existing models an initial validation takes place. The initial validation includes a review of: model design, documentation, representativeness, data inputs, performance testing, and model use. The approach to validation of each of these portfolios is specified in the IRB Model Validation standard which ensures that each regulatory requirement for model validation testing is met.

45: Template EU CR6 - IRB approach - Credit risk exposures by exposure class and PD range

As per Article 452, point (g)(i)-(v) the template below presents the key parameters used for the calculation of capital requirements for credit risk exposures, under the IRB approach, split by PD range. The template includes exposures rated under Foundation IRB and Advanced IRB. All exposures are presented both pre and post CRM and CCF (EAD). The template excludes counterparty credit risk, securitisations, equity and non-credit obligation exposures. Gross exposures are presented before specific credit risk adjustments.
Throughout this section 'Density of risk weighted exposure amount' represents the 'average risk weighted exposure amount post CCF and post CRM'. 'Number of obligors' corresponds to the number of individual PDs in each band.
The Group has not used credit derivatives as a credit risk mitigant for exposures rated under the IRB approach.

The Total IRB Portfolio increased by € 1.0 bn during H2 2021 predominantly due to the following:
Central government and central banks exposures increased by € 0.5 bn mainly in liquid assets, Corporate exposures increased by € 0.5 bn driven by new lending exceeding redemptions and Retail exposures increased by € 0.1 bn driven by new business partially offset by loan sales.
These increases were partially offset by Institutions decrease of € 0.1 bn mainly due to a reduction in bank bonds during the period.

A-IRB	PD range	On-balance sheet exposures	Off-balance-sheet exposures pre-CCF	Exposure weighted average CCF	Exposure post CCF and post CRM	Exposure weighted average PD (%)	Number of obligors	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	Risk weighted exposure amount after supporting factors	Density of risk weighted exposure amount	Expected loss amount	Value adjust-ments and provisions
	a	b	c	d	e	f	g	h	i	j	k	l	m
Retail - Secured by immovable property non-SME													
	0.00 to <0.15	3,394	499	58.15 %	3,683	0.07 %	31,629	27.51 %	-	191	5.18 %	1	(3)
	0.00 to	3,394	499	58.15 %	3,683	0.07 %	31,629	27.51 %	-	191	5.18 %	1	(3)
	0.10 to	-	-	- %	-	- %	-	- %	-	-	- %	-	-
	0.15 to <0.25	7,986	127	58.42 %	8,061	0.18 %	54,522	28.09 %	-	937	11.62 %	4	(10)
	0.25 to <0.50	600	190	58.70 %	711	0.39 %	5,975	32.75 %	-	167	23.43 %	1	(0)
	0.50 to <0.75	1,275	1	97.76 %	1,277	0.53 %	8,417	28.00 %	-	318	24.95 %	2	(2)
	0.75 to <2.50	3,131	17	88.81 %	3,146	1.71 %	22,249	27.99 %	-	1,670	53.06 %	15	(6)
	0.75 to	1,614	7	79.65 %	1,619	1.07 %	11,601	27.79 %	-	645	39.83 %	5	(2)
	1.75 to <2.5	1,518	9	95.91 %	1,527	2.38 %	10,648	28.20 %	-	1,024	67.09 %	10	(3)
	2.50 to <10.00	667	5	83.58 %	672	6.04 %	5,084	29.81 %	-	781	**116.22 %**	12	(4)
	2.5 to <5	120	1	92.75 %	122	3.69 %	1,168	33.76 %	-	126	103.99 %	2	(0)
	5 to <10	547	4	80.59 %	550	6.56 %	3,916	28.94 %	-	654	118.92 %	10	(4)
	10.00 to <100.00	385	1	99.45 %	386	23.10 %	2,679	29.81 %	-	682	176.63 %	27	(12)
	10 to <20	262	1	99.39 %	264	16.53 %	1,841	29.36 %	-	455	172.59 %	13	(9)
	20 to <30	64	0	99.93 %	65	26.24 %	471	31.55 %	-	131	202.19 %	5	(2)
	30.00 to <100.00	58	0	99.32 %	58	49.49 %	367	29.92 %	-	97	166.55 %	8	(2)
	100.00 (Default)	475	4	94.96 %	479	100.00 %	4,386	38.32 %	-	692	144.52 %	207	(157)
Subtotal (exposure class)		**17,914**	**844**	**59.38 %**	**18,416**	**3.74 %**	**134,941**	**28.50 %**	**-**	**5,437**	**29.53 %**	**268**	**(195)**
Total (all exposures classes)		**17,914**	**844**	**59.38 %**	**18,416**	**3.74 %**	**134,941**	**28.50 %**	**-**	**5,437**	**29.53 %**	**268**	**(195)**

F-IRB	PD range	On-balance sheet exposures	Off-balance-sheet exposures pre-CCF	Exposure weighted average CCF	Exposure post CCF and post CRM	Exposure weighted average PD (%)	Number of obligors	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	Risk weighted exposure amount after supporting factors	Density of risk weighted exposure amount	Expected loss amount	Value adjust-ments and provisions
	a	b	c	d	e	f	g	h	i	j	k	l	m
Central governments and central banks without own estimates													
	0.00 to <0.15	10,518	-	-	10,518	0.01%	39	45.00%	2.5	706	6.71%	0	(1)
	0.00 to	10,518	-	-	10,518	0.01%	39	45.00%	2.5	706	6.71%	0	(1)
	0.10 to	-	-	-	-	-	-	-	-	-	-	-	-
	0.15 to <0.25	-	-	-	-	-	-	-	-	-	-	-	-
	0.25 to <0.50	-	-	-	-	-	-	-	-	-	-	-	-
	0.50 to <0.75	-	-	-	-	-	-	-	-	-	-	-	-
	0.75 to <2.50	-	-	-	-	-	-	-	-	-	-	-	-
	0.75 to	-	-	-	-	-	-	-	-	-	-	-	-
	1.75 to <2.5	-	-	-	-	-	-	-	-	-	-	-	-
	2.50 to <10.00	-	-	-	-	-	-	-	-	-	-	-	-
	2.5 to <5	-	-	-	-	-	-	-	-	-	-	-	-
	5 to <10	-	-	-	-	-	-	-	-	-	-	-	-
	10.00 to <100.00	-	-	-	-	-	-	-	-	-	-	-	-
	10 to <20	-	-	-	-	-	-	-	-	-	-	-	-
	20 to <30	-	-	-	-	-	-	-	-	-	-	-	-
	30.00 to <100.00	-	-	-	-	-	-	-	-	-	-	-	-
	100.00 (Default)	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal (exposure class)		10,518	-	-	10,518	0.01%	39	45.00%	2.5	706	6.71%	0	(1)
Institutions without own estimates													
	0.00 to <0.15	5,078	21	-	5,078	0.10%	119	25.60%	2.5	1,273	25.07%	1	(1)
	0.00 to	1,169	3	-	1,169	0.04%	30	14.18%	2.5	89	7.64%	0	(0)
	0.10 to	3,909	18	-	3,909	0.12%	89	29.01%	2.5	1,184	30.28%	1	(1)
	0.15 to <0.25	-	-	-	-	-	-	-	-	-	-	-	-
	0.25 to <0.50	591	3	-	591	0.35%	32	44.54%	2.5	475	80.32%	1	(0)
	0.50 to <0.75	-	-	-	-	-	-	-	-	-	-	-	-
	0.75 to <2.50	7	1	-	7	0.99%	9	45.00%	2.5	8	113.59%	0	-
	0.75 to	7	1	-	7	0.99%	9	45.00%	2.5	8	113.59%	0	-
	1.75 to <2.5	-	-	-	-	-	-	-	-	-	-	-	-
	2.50 to <10.00	-	-	-	-	-	-	-	-	-	-	-	-
	2.5 to <5	-	-	-	-	-	-	-	-	-	-	-	-
	5 to <10	-	-	-	-	-	-	-	-	-	-	-	-
	10.00 to <100.00	-	-	-	-	-	-	-	-	-	-	-	-
	10 to <20	-	-	-	-	-	-	-	-	-	-	-	-
	20 to <30	-	-	-	-	-	-	-	-	-	-	-	-
	30.00 to <100.00	-	-	-	-	-	-	-	-	-	-	-	-
	100.00 (Default)	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal (exposure class)		5,676	24	-	5,676	0.13%	160	27.59%	2.5	1,755	30.93%	2	(1)

Corporates - SME without own estimates													
	0.00 to <0.15	0	30	-	0	0.10%	2	45.00%	2.5	0	41.43%	0	(0)
	0.00 to	-	30	-	-	-	1	-	-	-	-	-	(0)
	0.10 to	0	-	-	0	0.10%	1	45.00%	2.5	0	41.43%	0	-
	0.15 to <0.25	4	-	-	4	0.18%	1	45.00%	2.5	3	57.76%	0	(0)
	0.25 to <0.50	32	84	1.41%	34	0.32%	18	45.00%	2.5	26	78.60%	0	(0)
	0.50 to <0.75	19	11	58.99%	25	0.58%	9	45.00%	2.5	26	103.57%	0	(0)
	0.75 to <2.50	1,027	373	34.01%	1,154	1.44%	1,419	44.97%	2.5	1,241	107.57%	20	(43)
	0.75 to	602	248	30.78%	679	1.04%	819	44.95%	2.5	649	95.67%	8	(27)
	1.75 to <2.5	425	124	40.47%	475	2.02%	600	45.00%	2.5	592	124.56%	12	(16)
	2.50 to <10.00	630	142	31.11%	674	4.52%	1,183	44.94%	2.5	929	137.74%	36	(78)
	2.5 to <5	347	86	36.01%	378	3.27%	613	44.90%	2.5	484	128.06%	14	(39)
	5 to <10	283	56	23.62%	296	6.11%	570	45.00%	2.5	444	150.10%	22	(39)
	10.00 to <100.00	17	7	37.47%	19	19.47%	46	45.00%	2.5	45	231.72%	5	(5)
	10 to <20	10	6	38.86%	13	13.77%	29	45.00%	2.5	27	217.98%	2	(3)
	20 to <30	3	0	0.50%	3	22.20%	8	45.00%	2.5	7	230.24%	1	(1)
	30.00 to <100.00	4	1	46.49%	4	35.84%	9	45.00%	2.5	11	277.46%	2	(1)
	100.00 (Default)	307	24	21.92%	313	100.00%	542	45.00%	2.5	-	-	141	(83)
Subtotal (exposure class)		2,037	670	27.79%	2,223	16.36%	3,220	44.97%	2.5	2,270	102.10%	201	(209)
Corporates - Specialised Lending without own estimates													
	0.00 to <0.15	-	46	75.00%	34	0.10%	1	45.00%	2.5	12	35.21%	0	(0)
	0.00 to	-	-	-	-	-	-	-	-	-	-	-	-
	0.10 to	-	46	75.00%	34	0.10%	1	45.00%	2.5	12	35.21%	0	(0)
	0.15 to <0.25	222	42	78.62%	255	0.20%	9	45.00%	2.5	99	38.66%	0	(1)
	0.25 to <0.50	573	261	65.35%	744	0.34%	28	46.71%	2.5	390	52.38%	1	(2)
	0.50 to <0.75	324	79	75.82%	384	0.59%	9	46.74%	2.5	320	83.46%	1	(1)
	0.75 to <2.50	67	33	69.03%	90	0.85%	4	49.57%	2.5	95	106.19%	0	(2)
	0.75 to	67	33	69.03%	90	0.85%	4	49.57%	2.5	95	106.19%	0	(2)
	1.75 to <2.5	-	-	-	-	-	-	-	-	-	-	-	-
	2.50 to <10.00	8	-	-	8	2.50%	1	45.00%	2.5	11	145.02%	0	(0)
	2.5 to <5	8	-	-	8	2.50%	1	45.00%	2.5	11	145.02%	0	(0)
	5 to <10	-	-	-	-	-	-	-	-	-	-	-	-
	10.00 to <100.00	28	5	75.00%	32	10.00%	1	45.00%	2.5	74	229.23%	2	(4)
	10 to <20	28	5	75.00%	32	10.00%	1	45.00%	2.5	74	229.23%	2	(4)
	20 to <30	-	-	-	-	-	-	-	-	-	-	-	-
	30.00 to <100.00	-	-	-	-	-	-	-	-	-	-	-	-
	100.00 (Default)	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal (exposure class)		1,222	466	69.64%	1,547	0.62%	53	46.52%	2.5	1,001	64.74%	5	(10)
Corporates - Other without own estimates													
	0.00 to <0.15	1,363	897	60.79%	1,908	0.07%	104	45.00%	2.5	1,004	52.60%	1	(18)
	0.00 to	771	538	66.00%	1,126	0.04%	47	45.00%	2.5	438	38.90%	0	(11)
	0.10 to	592	359	52.99%	783	0.10%	57	45.00%	2.5	566	72.31%	0	(7)
	0.15 to <0.25	761	167	63.79%	868	0.18%	54	45.00%	2.5	921	106.11%	1	(13)
	0.25 to <0.50	1,865	760	59.34%	2,316	0.32%	189	44.92%	2.5	2,190	94.55%	4	(31)
	0.50 to <0.75	1,589	223	66.23%	1,737	0.58%	144	45.41%	2.5	1,991	114.66%	5	(25)
	0.75 to <2.50	1,815	1,067	61.73%	2,474	1.12%	280	44.25%	2.5	3,156	127.60%	20	(125)
	0.75 to	1,438	962	65.05%	2,064	0.97%	204	44.75%	2.5	2,602	126.05%	15	(69)
	1.75 to <2.5	377	105	31.19%	410	1.88%	76	41.76%	2.5	555	135.38%	5	(56)
	2.50 to <10.00	663	47	44.86%	684	3.77%	89	39.24%	2.5	1,074	157.10%	20	(175)
	2.5 to <5	568	35	46.98%	585	3.34%	56	38.47%	2.5	868	148.39%	14	(156)
	5 to <10	95	11	38.16%	99	6.28%	33	43.77%	2.5	207	208.45%	5	(19)
	10.00 to <100.00	3	2	45.35%	4	15.41%	8	45.00%	2.5	13	306.10%	1	(1)
	10 to <20	3	2	45.33%	4	13.75%	7	45.00%	2.5	12	301.39%	1	(1)
	20 to <30	-	-	-	-	-	-	-	-	-	-	-	-
	30.00 to <100.00	0	0	75.00%	0	35.84%	1	45.00%	2.5	1	364.16%	0	(0)
	100.00 (Default)	118	12	57.82%	125	100.00%	132	45.00%	2.5	-	-	56	(32)
Subtotal (exposure class)		8,178	3,175	61.04%	10,116	1.97%	1,000	44.48%	2.5	10,350	102.31%	108	(419)
Total (all exposures classes)		**27,631**	**4,336**	**56.48%**	**30,080**	**1.93%**	**4,472**	**41.62%**	**2.5**	**16,083**	**53.47%**	**317**	**(640)**

46: Template EU CR6-A – Scope of the use of IRB and SA approaches

As per Article 452, point (b) the template below presents for each exposure class referred to in Article 147, the percentage of the total exposure value subject to the standardised approach (SA) and to the IRB approach, as well as the part of each exposure class subject to a roll-out plan.
Template discloses the exposure value of IRB exposures in accordance with Article 166 CRR and, in order to provide an exposure measure valid for both SA exposures and IRB exposures, the aggregate exposure value of IRB and SA exposures uses the leverage ratio exposure methodology.

IRB Exposure reduced due to deduction of IRB provisions and application of leverage ratio credit conversion factors.

		Exposure value as defined in Article 166 CRR for exposures subject to IRB approach	**Total exposure value for exposures subject to the Standardised approach and to the IRB approach**	**Percentage of total exposure value subject to permanent partial use of SA (%)**	**Percentage of total exposure value subject to a roll-out plan (%)**	**Percentage of total exposure value subject to IRB approach (%)**
		a	b	c	d	e
1	Central governments or central banks	10,101	51,520	80.39%	-	19.61%
1.1	*Of which Regional governments or local authorities*		467	-	-	100.00%
1.2	*Of which Public sector entities*		395	-	-	100.00%
2	Institutions	16,977	17,689	0.60%	3.42%	95.98%
3	Corporates	14,058	27,973	6.36%	48.10%	45.54%
3.1	*Of which Corporates - Specialised lending, excluding slotting approach*		1,561	-	-	100.00%
3.2	*Of which Corporates - Specialised lending under slotting approach*		-	-	-	-
4	Retail	18,416	34,215	0.20%	47.49%	52.31%
4.1	*of which Retail – Secured by real estate SMEs*		24	-	100.00%	-
4.2	*of which Retail – Secured by real estate non-SMEs*		29,135	0.23%	38.33%	61.43%
4.3	*of which Retail – Qualifying revolving*		1,338	0.01%	99.99%	-
4.4	*of which Retail – Other SMEs*		1,551	0.04%	99.96%	-
4.5	of which Retail – Other non-SMEs		2,167	0.03%	99.97%	-
5	Equity	-	503	100.00%	-	-
6	Other non-credit obligation assets	8	2,907	99.65%	0.08%	0.27%
7	**Total**	59,560	134,808	34.71%	22.48%	42.82%

47: Template EU CR7 - IRB approach - Effect on the RWEAs of credit derivatives used as CRM techniques

As per Article 453 point (j) the template below illustrates the effect of credit derivatives on the IRB approach capital requirements calculations.
The template excludes counterparty credit risk and Non-credit obligation assets.

Risk weighted exposure amount (RWEA) increased during H2 2021 due to recalibration of bank, sovereign and mortgage model, grade migration and net new business partially offset by loan sales.

The Group has not used credit derivatives as a credit risk mitigant for exposures rated under the IRB approach.

		Pre-credit derivatives risk weighted exposure amount	Actual risk weighted exposure amount
		a	b
#	**Exposures under F-IRB**	**16,083**	**16,083**
#	Central governments and central banks	706	706
#	Institutions	1,755	1,755
#	Corporates	13,622	13,622
#	*of which Corporates - SMEs*	2,270	2,270
#	*of which Corporates - Specialised lending*	1,001	1,001
#	**Exposures under A-IRB**	**5,437**	**5,437**
#	Central governments and central banks	-	-
#	Institutions	-	-
#	Corporates	-	-
#	*of which Corporates - SMEs*	-	-
#	*of which Corporates - Specialised lending*	-	-
#	Retail	5,437	5,437
#	*of which Retail – SMEs - Secured by immovable property collateral*	-	-
#	*of which Retail – non-SMEs - Secured by immovable property collateral*	5,437	5,437
#	*of which Retail – Qualifying revolving*	-	-
#	*of which Retail – SMEs - Other*	-	-
#	*of which Retail – Non-SMEs- Other*	-	-
#	**TOTAL (including F-IRB exposures and A-IRB exposures)**	**21,521**	**21,521**

48: Template EU CR7-A - IRB approach - Disclosure of the extent of the use of CRM techniques

As per Article 453 point (g), this template discloses more granular information on the type of CRM techniques that the AIB Group applies.

A-IRB		Total exposures	Credit risk Mitigation techniques												Credit risk Mitigation methods in the calculation of RWEAs	
			Funded credit Protection (FCP)									Unfunded credit Protection (UFCP)				
			Part of exposures covered by Financial Collaterals (%)	**Part of exposures covered by Other eligible collaterals (%)**	**Part of exposures covered by Immovable property Collaterals (%)**	**Part of exposures covered by Receivables (%)**	**Part of exposures covered by Other physical collateral (%)**	**Part of exposures covered by Other funded credit protection (%)**	**Part of exposures covered by Cash on deposit (%)**	**Part of exposures covered by Life insurance policies (%)**	**Part of exposures covered by Instruments held by a third party (%)**	**Part of exposures covered by Guarantees (%)**	**Part of exposures covered by Credit Derivatives (%)**	**RWEA without substitution effects (reduction effects only)**	**RWEA with substitution effects (both reduction and sustitution effects)**
		a	b	c	d	e	f	g	h	i	j	k	l	m	n
1	Central governments and central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Corporates	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3.1	*Of which Corporates – SMEs*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3.2	*Of which Corporates – Specialised lending*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3.3	*Of which Corporates – Other*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Retail	18,416	-	101.23%	101.23%	-	-	-	-	-	-	-	-	5,437	5,437
4.1	*Of which Retail – Immovable property SMEs*	-	-	-	-	-	-	-	-	-	-	-	-		-
4.2	*Of which Retail – Immovable property non-SMEs*	18,416	-	101.23%	101.23%	-	-	-	-	-	-	-	-	5,437	5,437
4.3	*Of which Retail – Qualifying revolving*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.4	*Of which Retail – Other SMEs*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.5	*Of which Retail – Other non-SMEs*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Total	18,416	-	101.23%	101.23%	-	-	-	-	-	-	-	-	5,437	5,437

F-IRB		Total exposures	Credit risk Mitigation techniques												Credit risk Mitigation methods in the calculation of RWEAs	
			Funded credit Protection (FCP)									Unfunded credit Protection (UFCP)				
			Part of exposures covered by Financial Collaterals (%)	Part of exposures covered by Other eligible collaterals (%)	Part of exposures covered by Immovable property Collaterals (%)	Part of exposures covered by Receivables (%)	Part of exposures covered by Other physical collateral (%)	Part of exposures covered by Other funded credit protection (%)	Part of exposures covered by Cash on deposit (%)	Part of exposures covered by Life insurance policies (%)	Part of exposures covered by Instruments held by a third party (%)	Part of exposures covered by Guarantees (%)	Part of exposures covered by Credit Derivatives (%)	RWEA without substitution effects (reduction effects only)	RWEA with substitution effects (both reduction and sustitution effects)
		a	b	c	d	e	f	g	h	i	j	k	l	m	n
1	Central governments and central banks	10,518	-	-	-	-	-	-	-	-	-	-	-	682	706
2	Institutions	5,676	-	-	-	-	-	-	-	-	-	6.25 %	-	1,854	1,755
3	Corporates	13,886	-	4.73%	4.73%	-	-	-	-	-	-	0.78 %	-	13,779	13,622
3.1	*Of which Corporates – SMEs*	2,223	-	0.70%	0.70%	-	-	-	-	-	-	4.35 %	-	2,411	2,270
3.2	*Of which Corporates – Specialised lending*	1,547	-	0.00%	0.00%	-	-	-	-	-	-	- %	-	1,001	1,001
3.3	*Of which Corporates – Other*	10,116	-	6.33%	6.33%	-	-	-	-	-	-	0.11 %	-	10,367	10,350
4	Total	30,080	-	2.18%	2.18%	-	-	-	-	-	-	1.54 %	-	16,314	16,083

49: Template EU CR8 - RWEA flow statements of credit risk exposures under the IRB approach

As per Article 438 point (h) the template below analyses the movements in risk weighted exposure amounts under the IRB approach within the period. This template excludes counterparty credit risk of € 0.7 bn (September 21: € 0.6 bn).

Asset size decreased driven by loan sales of € 0.2 bn partially offset by new lending being greater than redemptions.
Asset quality impact during the quarter was mainly driven by grade migration within the corporate portfolio.
Model updates reflects the impact of the recalibration of the bank, sovereign and mortgage models during the quarter in order to comply with definition of default and IRB models legislation.

		Risk weighted exposure amount		
		a	b	c
		31/12/2021	30/09/2021	30/06/2021
1	**Risk weighted exposure amount as at the end of the previous reporting period**	19,902	19,972	21,574
2	Asset size (+/-)	(43)	(248)	(383)
3	Asset quality (+/-)	179	93	(1,030)
4	Model updates (+/-)	1,370	-	-
5	Methodology and policy (+/-)	-	-	(130)
6	Acquisitions and disposals (+/-)	-	-	-
7	Foreign exchange movements (+/-)	118	86	(59)
8	Other (+/-)	-	-	-
9	Risk weighted exposure amount as at the end of the reporting period	21,526	19,902	19,972

50: Template EU CR9 – IRB approach – Back-testing of PD per exposure class (fixed PD scale)

As per Article 452(i) of the CRR the table below provides back testing data to validate the reliability of PD calculations.

The A-IRB exposures are rated by two models, an application mortgage model for first 3 months on books and an ongoing mortgage model for the remaining term. The Central Government exposures are rated on a single Sovereign model and the Institutions are also rated on a single Bank model. For Corporates - SME, 95% of the exposures are rated on SME model and 5% on general Corporate model and for Corporates - Other, 90% of exposures are rated on general Corporate model and 10% are rated on SME model. For Corporates - Specialised Lending all exposures are rated on Project Finance model.

A-IRB

Exposure class	PD range	Number of obligors at the end of the previous year		Observed average default rate (%)	Exposures weighted average PD (%)	Average PD (%)	Average historical annual default rate (%)
			of which: number of obligors which defaulted in the year				
a	b	c	d	e	f	g	h
Retail - Secured by immovable property	0.00 to <0.15	28,929	34	0.12%	0.07%	0.07%	0.32%
	0.00 to <0.10	28,929	34	0.12%	0.07%	0.07%	0.32%
	0.10 to <0.15						
	0.15 to <0.25	59,425	88	0.15%	0.18%	0.18%	0.73%
	0.25 to <0.50	6,028	16	0.27%	0.39%	0.39%	0.24%
	0.50 to <0.75	9,828	43	0.44%	0.53%	0.53%	0.44%
	0.75 to <2.50	26,359	144	0.55%	1.71%	1.68%	1.75%
	0.75 to	13,899	43	0.31%	1.07%	1.06%	1.96%
	1.75 to <2.5	12,460	101	0.81%	2.38%	2.36%	0.81%
	2.50 to <10.00	6,587	147	2.23%	6.04%	5.98%	9.38%
	2.5 to <5	1,467	12	0.82%	3.69%	3.70%	9.30%
	5 to <10	5,120	135	2.64%	6.56%	6.64%	9.48%
	10.00 to <100.00	3,388	348	10.27%	23.10%	22.92%	18.64%
	10 to <20	2,243	185	8.25%	16.53%	16.52%	8.25%
	20 to <30	595	68	11.43%	26.24%	26.21%	27.29%
	30.00 to <100.00	550	95	17.27%	49.49%	49.04%	17.27%
	100.00 (Default)	9,414			100.00%	100.00%	

F-IRB

Exposure class	PD range	Number of obligors at the end of the previous year		Observed average default rate (%)	Exposures weighted average PD (%)	Average PD (%)	Average historical annual default rate (%)
			of which: number of obligors which defaulted in the year				
a	b	c	d	e	f	g	h
Central governments and central banks	0.00 to <0.15	24	0	0.00%	0.01%	0.01%	0.00%
	0.00 to <0.10	24	0	0.00%	0.01%	0.01%	0.00%
	0.10 to <0.15						
	0.15 to <0.25						
	0.25 to <0.50						
	0.50 to <0.75						
	0.75 to <2.50						
	0.75 to						
	1.75 to <2.5						
	2.50 to <10.00						
	2.5 to <5						
	5 to <10						
	10.00 to <100.00						
	10 to <20						
	20 to <30						
	30.00 to <100.00						
	100.00 (Default)						

Exposure class	PD range	Number of obligors at the end of the previous year	of which: number of obligors which defaulted in the year	Observed average default rate (%)	Exposures weighted average PD (%)	Average PD (%)	Average historical annual default rate (%)
a	b	c	d	e	f	g	h
Institutions	0.00 to <0.15	129	0	0.00%	0.10%	0.09%	0.00%
	0.00 to <0.10	129	0	0.00%	0.04%	0.09%	0.00%
	0.10 to <0.15						
	0.15 to <0.25	28	0	0.00%	0.12%	0.25%	0.00%
	0.25 to <0.50						
	0.50 to <0.75	4	0	0.00%	0.35%	0.62%	0.00%
	0.75 to <2.50	1	0	0.00%	0.99%	1.55%	0.00%
	0.75 to	1	0	0.00%	0.99%	1.55%	0.00%
	1.75 to <2.5						
	2.50 to <10.00						
	2.5 to <5						
	5 to <10						
	10.00 to <100.00						
	10 to <20						
	20 to <30						
	30.00 to <100.00						
	100.00 (Default)						

Exposure class	PD range	Number of obligors at the end of the previous year	of which: number of obligors which defaulted in the year	Observed average default rate (%)	Exposures weighted average PD (%)	Average PD (%)	Average historical annual default rate (%)
a	b	c	d	e	f	g	h
Corporates - SME	0.00 to <0.15	5	0	0.00%	0.10%	0.07%	8.33%
	0.00 to <0.10	1	0	0.00%	0.03%	0.03%	0.00%
	0.10 to <0.15	4	0	0.00%	0.10%	0.10%	11.11%
	0.15 to <0.25	5	0	0.00%	0.18%	0.18%	0.00%
	0.25 to <0.50	48	0	0.00%	0.32%	0.32%	0.00%
	0.50 to <0.75	8	0	0.00%	0.58%	0.58%	0.00%
	0.75 to <2.50	1,484	25	1.68%	1.44%	1.47%	2.13%
	0.75 to	826	12	1.45%	1.04%	1.08%	1.53%
	1.75 to <2.5	658	13	1.98%	2.02%	2.02%	2.84%
	2.50 to <10.00	1,304	96	7.36%	4.52%	4.68%	10.06%
	2.5 to <5	672	21	3.13%	3.27%	3.27%	5.09%
	5 to <10	632	75	11.87%	6.11%	6.15%	14.45%
	10.00 to <100.00	86	16	18.60%	19.47%	20.80%	35.50%
	10 to <20	56	10	17.86%	13.77%	14.48%	30.00%
	20 to <30	11	4	36.36%	22.20%	22.20%	47.14%
	30.00 to <100.00	19	2	10.53%	35.84%	35.84%	41.35%
	100.00 (Default)	581			100.00%	100.00%	

Exposure class	PD range	Number of obligors at the end of the previous year	of which: number of obligors which defaulted in the year	Observed average default rate (%)	Exposures weighted average PD (%)	Average PD (%)	Average historical annual default rate (%)
a	b	c	d	e	f	g	h
Corporates - Specialised Lending	0.00 to <0.15	2	0	0.00%	0.10%	0.10%	0.00%
	0.00 to <0.10						
	0.10 to <0.15	2	0	0.00%	0.10%	0.10%	0.00%
	0.15 to <0.25	7	0	0.00%	0.20%	0.20%	0.00%
	0.25 to <0.50	21	0	0.00%	0.34%	0.34%	0.00%
	0.50 to <0.75	6	0	0.00%	0.59%	0.57%	0.00%
	0.75 to <2.50	6	0	0.00%	0.85%	0.94%	0.00%
	0.75 to	6	0	0.00%	0.85%	0.94%	0.00%
	1.75 to <2.5						
	2.50 to <10.00	2	0	0.00%	2.50%	2.50%	0.00%
	2.5 to <5	2	0	0.00%	2.50%	2.50%	0.00%
	5 to <10						
	10.00 to <100.00	1	0	0.00%	10.00%	10.00%	0.00%
	10 to <20	1	0	0.00%	10.00%	10.00%	0.00%
	20 to <30						
	30.00 to						
	100.00 (Default)						

Exposure class	PD range	Number of obligors at the end of the previous year		Observed average default rate (%)	Exposures weighted average PD (%)	Average PD (%)	Average historical annual default rate (%)
			of which: number of obligors which defaulted in the year				
a	b	c	d	e	f	g	h
Corporates - Other	0.00 to <0.15	83	0	0.00%	0.07%	0.07%	0.36%
	0.00 to <0.10	36	0	0.00%	0.04%	0.05%	0.00%
	0.10 to <0.15	47	0	0.00%	0.10%	0.10%	0.57%
	0.15 to <0.25	58	1	1.72%	0.18%	0.18%	0.96%
	0.25 to <0.50	150	1	0.67%	0.32%	0.32%	0.70%
	0.50 to <0.75	123	4	3.25%	0.58%	0.58%	1.72%
	0.75 to <2.50	313	2	0.64%	1.12%	1.27%	3.14%
	0.75 to	219	1	0.46%	0.97%	1.02%	1.86%
	1.75 to <2.5	94	1	1.06%	1.88%	1.93%	6.91%
	2.50 to <10.00	99	11	11.11%	3.77%	4.14%	12.43%
	2.5 to <5	44	2	4.55%	3.34%	3.29%	5.00%
	5 to <10	55	9	16.36%	6.28%	5.80%	18.56%
	10.00 to <100.00	26	2	7.69%	15.41%	16.91%	17.65%
	10 to <20	13	0	0.00%	13.75%	13.75%	5.56%
	20 to <30						
	30.00 to	13	2	15.38%	35.84%	35.84%	22.22%
	100.00 (Default)	120			100.00%	100.00%	

51: Template EU CR9.1 – IRB approach – Back-testing of PD per exposure class (only for PD estimates according to point (f) of Article 180(1) CRR)

As per Article 452(i) of the CRR the table below provides back testing data to validate the reliability of PD calculations. These tables are completed for all portfolios where there is a mapping to External ratings.
The non-retail models all use Foundation IRB with maturity set to 2.5 years. Hence short term contracts do not impact the capital calculation and on that basis are not shown.
The historical average observed default rate is calculated using 5 years of non-overlapping data.

F-IRB

Exposure class	PD range	External rating equivalent			Number of obligors at the end of the previous year	of which: number of obligors which defaulted in the year	Observed average default rate (%)	Average PD (%)	Average historical annual default rate (%)
a	b	c			d	e	f	g	h
		S&P	Fitch	Moody's					
Central governments	0.00% to 0.03%	AAA to AA-	AAA to AA-	Aaa to Aa3	19	0	0.00%	0.004%	0.00%
	0.03% to 0.08%	A+ to A-	A+ to A-	A1 to A3	5	0	0.00%	0.036%	0.00%

Exposure class	PD range	External rating equivalent			Number of obligors at the end of the previous year	of which: number of obligors which defaulted in the year	Observed average default rate (%)	Average PD (%)	Average historical annual default rate (%)
a	b	c			d	e	f	g	h
		S&P	Fitch	Moody's					
Institutions	0.00% to 0.05%	AAA to AA-	AAA to AA-	Aaa to Aa3	29	0	0.00%	0.04%	0.00%
	0.03% to 0.10%	A+ to A-	A+ to A-	A1 to A3	100	0	0.00%	0.10%	0.00%
	0.09% to 0.31%	BBB+ BBB-	BBB+ BBB-	Baa1 to Baa3	28	0	0.00%	0.25%	0.00%
	0.27% to 0.99%	BB+ to BB-	BB+ to BB-	Ba1 to Ba3	4	0	0.00%	0.62%	0.00%
	0.70% to 2.00%	B+	B+	B1	1	0	0.00%	1.55%	0.00%

Chapter 12. Disclosure of exposures to counterparty credit risk

52: Table EU CCRA – Qualitative disclosure related to CCR

As per Article 439, point (a), (b), (c) and (d) the table below provides information on the Group's counterparty credit risk management.

Legal basis	Row Number		Qualitative information
Article 439 (a)	(a)	Description of the methodology used to assign internal capital and credit limits for counterparty credit exposures, including the methods to assign those limits to exposures to central counterparties	The Group is predominantly exposed to counterparty credit exposure through its portfolio of derivatives and repurchase agreements ('repos'). Derivatives The credit risk on derivative contracts is the risk that the Group's counterparty in the contract defaults prior to maturity at a time when AIB has a claim on the counterparty under the contract. AIB would then have to replace the contract at the current market rate, which may result in a loss. The credit exposure on derivatives is managed in the same way as other types of credit exposure. The Group applies the same credit control and risk management policies as relate to counterparty credit approval, limit setting and monitoring procedures. Counterparty credit exposure ("CCE") consists partly of current replacement cost (or mark-to-market) of the contracts and partly of potential future exposure. The potential future exposure component is an estimation which reflects possible changes in market values during the remaining life of the individual contract. The CCE for an individual counterparty will take into account the existence of valid bilateral netting or collateral agreements, where these are in place. The Group applies the mark-to-market method for calculating the Pillar 1 capital for derivatives. Pre-settlement CCE limits must be approved in advance of any transactions being entered into by the appropriate credit approval authority. This forms part of the normal credit management and review process. Settlement and maturity limits must conform to general credit policy requirements. Limits on the maximum residual maturity of derivative activities are governed by individual counterparty maturity constraints. Those sanctioning CCE limits must be satisfied that they sufficiently understand the risks involved in the proposed transactions. It is Group practice, where possible and relevant, that all appropriate documentation, such as facility letters or international swaps and derivatives association ("ISDA") agreements be put in place before any limits are made available for use. For repos, reverse repos, collateral swaps and securities lending transactions, CCE is measured as the sum of current replacement cost plus an additional amount to reflect potential future losses that might be incurred due to adverse market movements that can occur in the time taken to replace a position. This additional amount is calculated by using an add-on-factor (AOF) approach. AOFs increase as the 'riskiness' of the underlying collateral increases. AOFs are derived by applying conservative overlays to the volatility-adjustments specified in article 224 of CRR IV. Pre-settlement CCE limits for derivative transactions are established by reference to the specific transaction's add-on-factors equivalent. Credit Support Annexes ("CSAs") are taken into consideration when setting the internal credit risk utilisation for derivative counterparties. CSAs and netting are also recognised as credit risk mitigation for reducing the exposure at default on derivatives. Regulatory netting is currently recognised for 12 bank counterparties. GMRAs/PSAs and netting are not recognised as credit risk mitigation for repo transactions in the pillar 1 regulatory capital calculations. The Group has established the capacity to clear derivatives in line with European Markets Infrastructure Regulation ("EMIR") requirements for central counterparty clearing. Clearing of certain derivative transactions is now mandatory for AIB under Article 4 of EMIR (clearing obligation). The clearing obligation requires AIB to clear certain derivatives with an authorised central clearing party (termed a 'CCP'; AIB uses LCH SwapClear, Eurex, LCH (SA) for CDS) which is completed through a 'Clearing Broker'; AIB's clearing brokers are HSBC France, BNP and Barclays Bank Ireland. Cleared derivatives eliminate exposure to bilateral counterparties, replacing these counterparties with the CCP. Repurchase agreements AIB Group is active in repurchase transactions in capital market instruments. This is achieved through repo/reverse repo products (together called repurchase transactions). Repurchase transactions are undertaken on both a bilateral and tri-party basis. Where appropriate netting documentation is in place, both sets of products also become legally equivalent from a credit mitigation perspective. The Group only engages in such transactions once the appropriate documentation has been executed. The transactions are executed by authorised personnel in the treasury function. An independent middle office function in the finance department has responsibility for managing the margining of the Group's bilateral repo/reverse repo activities. Margining has been predominantly cash-based although the documentation in general allows for securities to be used as collateral. Tri-party margining is managed through Euroclear, JP Morgan Luxembourg S.A. and Bank of New York SA/NV Tri-party and custodian agents. The associated credit risk is managed in the same way as other types of credit exposure. Exposures are calculated to take account of historical price volatility reflecting the maturity of both the collateral and repurchase transaction. The exposures are aggregated with all other exposures to the counterparty. In addition to the normal credit control and risk management policies relating to counterparty credit approval, limit setting and monitoring procedures, the following credit criteria receive additional focus for repurchase transactions: • Acceptable collateral; • Acceptable counterparties; • Appropriate nominal exposure limits by counterparty; • Appropriate risk weighted exposure limits by counterparty; and • Haircut amounts (where appropriate). AIB applies the financial collateral comprehensive method for the purposes of calculating Pillar 1 capital for counterparty credit exposure for repurchase type transactions.
Article 439 (b)	(b)	Description of policies related to guarantees and other credit risk mitigants, such as the policies for securing collateral and establishing credit reserves	It is Group practice, where possible and relevant, that ISDA Master Agreements are put in place to cover derivatives business on a counterparty specific basis. It is also Group practice in relation to wholesale market counterparts to supplement ISDA documentation with a CSA to accommodate the reduction of net exposure on an agreed basis, and in line with market practice, by way of transferring a margin amount, typically cash (as opposed to securities). AIB employs robust procedures and processes to control the residual risk that may arise when taking financial collateral, including strategy, consideration of the underlying credit and collateral management/valuation process. In addition, the Group has established standards to ensure legal certainty exists and the degree of correlation between the credit quality of the obligor and the collateral value must be considered and mitigated.
Article 439 (c)	(c)	Description of policies with respect to Wrong-Way risk as defined in Article 291 of the CRR	AIB's measurement of counterparty credit risk exposure against limits for foreign exchange, interest rate, inflation and equity derivatives does not include a consideration for wrong way risk. Wrong way risk is unlikely to be a feature of such transactions. AIB's measurement of counterparty credit exposure against limits for reverse repurchase agreements and for collateral swaps requires that consideration be given to the correlation between collateral value and the counterparty default probability when determining the add on factor.
Article 439 (d)	(d)	Any other risk management objectives and relevant policies related to CCR	As above, see Article 439 (b).
Article 439 (e)	(e)	The amount of collateral the institution would have to provide if its credit rating was downgraded	A downgrade in the Group's credit rating could have the effect of reducing the Minimum Transfer amount for margin calls on one of the CSAs. This would result in a potential increase in the amount of collateral the Group would have to provide against the derivatives within the CSAs (to a maximum of €0.5m). However, due to the very small number of CSAs with downgrade triggers, this is not deemed a significant risk for the Group. In addition, a downgrade in the Group's credit rating could lead to an increase in the haircuts that would be demanded by counterparties in repurchase transactions. This would lead to an increase in the quantum of securities being pledged by the Group as collateral.

53: Template EU CCR1 - Analysis of CCR exposure by approach

As per Article 439, points (f), (g), (k) and (m) the template below sets out the methods used to calculate CCR regulatory requirements and the resultant RWEAs. Article 439(m) is an annual requirement on disclosure of the size of on and off balance sheet derivatives. As at 31-Dec-2021 this was € 1,904 m.

The fall in EAD between June and Dec was primarily related to capturing margin for collateralised counterparties without regulatory netting place at December. In June the EAD associated with these counterparties did include the effect of margining.

		a	b	c	d	e	f	g	h
		Replacement cost (RC)	Potential future exposure (PFE)	EEPE	Alpha used for computing regulatory exposure value	Exposure value pre-CRM	Exposure value post-CRM	Exposure value	RWEA
EU1	EU - Original Exposure Method (for derivatives)	-	-		-	-	-	-	-
EU2	EU - Simplified SA-CCR (for derivatives)	-	-		-	-	-	-	-
1	SA-CCR (for derivatives)	398	219		1.4	1,696	864	844	665
2	IMM (for derivatives and SFTs)			-	-	-	-	-	-
2a	*Of which securities financing transactions netting sets*			-		-	-	-	-
2b	*Of which derivatives and long settlement transactions netting sets*			-		-	-	-	-
2c	*Of which from contractual cross-product netting sets*			-		-	-	-	-
3	Financial collateral simple method (for SFTs)					-	-	-	-
4	Financial collateral comprehensive method (for SFTs)					7,295	1,488	1,488	460
5	VaR for SFTs					-	-	-	-
6	**Total**					**8,990**	**2,351**	**2,331**	**1,126**

54: Template EU CCR2 - Transactions subject to own funds requirements for CVA risk

As per Article 439 point (h) the template below presents the CVA charge broken down by approach. Reduction in RWEA primarily due to the introduction of margin recognition for qualifying counterparties in December 2021.

		a	b
		Exposure value	RWEA
1	Total transactions subject to the Advanced method		
2	(i) VaR component (including the 3× multiplier)		-
3	(ii) stressed VaR component (including the 3× multiplier)		-
4	Transactions subject to the Standardised method	273	108
EU-4	Transactions subject to the Alternative approach (Based on the Original Exposure Method)	-	-
5	**Total transactions subject to own funds requirements for CVA risk**	**273**	**108**

55: Template EU CCR3 - Standardised approach - CCR exposures by regulatory exposure class and risk weights

As per Article 439 point (l), which refers to point (e) of Article 444, the template below presents a breakdown of CCR by exposure class and risk weight. The decrease during H2 2021 was primarily related to capturing margin for collateralised counterparties without regulatory netting place at December 2021.

	Exposure classes	Risk weight											
		a	b	c	d	e	f	g	h	i	j	k	l
		0 %	2%	4%	10%	20%	50%	70%	75%	100%	150%	Others	Total exposure value
1	Central governments or central banks	-	-	-	-	-	-	-	-	-	-	-	-
2	Regional government or local authorities	-	-	-	-	-	-	-	-	-	-	-	-
3	Public sector entities	-	-	-	-	-	-	-	-	-	-	-	-
4	Multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-
5	International organisations	-	-	-	-	-	-	-	-	-	-	-	-
6	Institutions	-	605	-	-	-	-	-	-	-	-	-	605
7	Corporates	-	-	-	-	-	-	-	-	428	-	-	428
8	Retail	-	-	-	-	-	-	-	-	-	-	-	-
9	Institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	-
10	Other items	-	-	-	-	-	-	-	-	-	-	-	-
11	**Total exposure value**	**-**	**605**	**-**	**-**	**-**	**-**	**-**	**-**	**428**	**-**	**-**	**1,032**

56: Template EU CCR4 - IRB approach - CCR exposures by exposure class and PD scale

As per Article 439 point (l), which refers to point (g) of Article 452, the template below presents a detailed view of counterparty credit risk positions subject to the IRB approach by exposure class and PD scale.

		a	b	c	d	e	f	g
	PD scale	Exposure value	Exposure weighted average PD (%)	Number of obligors	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	RWEA	Density of risk weighted exposure amount
Central governments and central banks (F-IRB)								
1	0.00 to <0.15	-	- %	-	- %	-	-	- %
2	0.15 to <0.25	-	- %	-	- %	-	-	- %
3	0.25 to <0.50	-	- %	-	- %	-	-	- %
4	0.50 to <0.75	-	- %	-	- %	-	-	- %
5	0.75 to <2.50	-	- %	-	- %	-	-	- %
6	2.50 to <10.00	-	- %	-	- %	-	-	- %
7	10.00 to <100.00	-	- %	-	- %	-	-	- %
8	100.00 (Default)	-	- %	-	- %	-	-	- %
	Sub-total (Central governments and central banks)	-	- %	-	- %	-	-	- %

		a	b	c	d	e	f	g
	PD scale	Exposure value	Exposure weighted average PD (%)	Number of obligors	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	RWEA	Density of risk weighted exposure amount
Institutions (F-IRB)								
1	0.00 to <0.15	1,377	- %	45	6.78 %	1	391	28.43 %
2	0.15 to <0.25	-	- %	-	- %	-	-	- %
3	0.25 to <0.50	357	- %	13	8.91 %	1	191	53.37 %
4	0.50 to <0.75	-	- %	-	- %	-	-	- %
5	0.75 to <2.50	-	- %	-	- %	-	-	- %
6	2.50 to <10.00	-	- %	-	- %	-	-	- %
7	10.00 to <100.00	-	- %	-	- %	-	-	- %
8	100.00 (Default)	-	- %	-	- %	-	-	- %
	Sub-total (Institutions (F-IRB))	1,734	- %	58	7.13 %	1	582	33.57 %

		a	b	c	d	e	f	g
	PD scale	Exposure value	Exposure weighted average PD (%)	Number of obligors	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	RWEA	Density of risk weighted exposure amount
Corporates (F-IRB) SME								
1	0.00 to <0.15	-	-	-	-	-	-	-
2	0.15 to <0.25	-	-	-	-	-	-	-
3	0.25 to <0.50	-	-	-	-	-	-	-
4	0.50 to <0.75	-	-	-	-	-	-	-
5	0.75 to <2.50	-	1.87 %	1	45.00 %	3	-	156.83 %
6	2.50 to <10.00	-	-	-	-	-	-	-
7	10.00 to <100.00	-	19.35 %	2	45.00 %	3	-	329.29 %
8	100.00 (Default)	-	-	-	-	-	-	-
	Sub-total (Corporates (F-IRB) SME)	-	4.46 %	3	45.00 %	3	-	182.41 %

		a	b	c	d	e	f	g
	PD scale	Exposure value	Exposure weighted average PD (%)	Number of obligors	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	RWEA	Density of risk weighted exposure amount
Corporates (F-IRB) Specialised Lending								
1	0.00 to <0.15	-	-	-	-	-	-	-
2	0.15 to <0.25	18	0.20 %	3	45.00 %	3	9	52.11 %
3	0.25 to <0.50	45	0.32 %	17	45.00 %	3	29	63.77 %
4	0.50 to <0.75	23	0.56 %	5	45.00 %	3	20	86.71 %
5	0.75 to <2.50	14	0.82 %	3	45.00 %	3	13	96.07 %
6	2.50 to <10.00	-	- %	-	- %	-	-	- %
7	10.00 to <100.00	2	10.00 %	1	45.00 %	3	4	229.23 %
8	100.00 (Default)	-	-	-	-	-	-	-
	Sub-total (Corporates (F-IRB) Specialised Lending)	101	0.60 %	29	45.00 %	3	75	74.40 %

		a	b	c	d	e	f	g
	PD scale	Exposure value	Exposure weighted average PD (%)	Number of obligors	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	RWEA	Density of risk weighted exposure amount
Corporates (F-IRB) Other								
1	0.00 to <0.15	48	0.06 %	18	45.00 %	3	19	40.50 %
2	0.15 to <0.25	2	0.18 %	3	45.00 %	3	1	57.76 %
3	0.25 to <0.50	10	0.32 %	18	45.00 %	3	8	77.15 %
4	0.50 to <0.75	1	0.58 %	5	45.00 %	3	1	103.57 %
5	0.75 to <2.50	7	1.62 %	10	45.00 %	3	11	148.74 %
6	2.50 to <10.00	-	6.01 %	1	45.00 %	3	-	222.34 %
7	10.00 to <100.00	-	19.35 %	1	45.00 %	3	-	329.29 %
8	100.00 (Default)	-	-	-	-	-	-	-
	Sub-total (Corporates (F-IRB) Other)	68	0.27 %	56	45.00 %	2	40	58.90 %

		a	b	c	d	e	f	g
	PD scale	Exposure value	Exposure weighted average PD (%)	Number of obligors	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	RWEA	Density of risk weighted exposure amount
Retail (A-IRB)								
1	0.00 to <0.15	-	- %	-	- %	-	-	- %
2	0.15 to <0.25	-	- %	-	- %	-	-	- %
3	0.25 to <0.50	-	- %	-	- %	-	-	- %
4	0.50 to <0.75	-	- %	-	- %	-	-	- %
5	0.75 to <2.50	-	- %	-	- %	-	-	- %
6	2.50 to <10.00	-	- %	-	- %	-	-	- %
7	10.00 to <100.00	-	- %	-	- %	-	-	- %
8	100.00 (Default)	-	- %	-	- %	-	-	- %
	Sub-total (Retail (A-IRB))	-	- %	-	- %	-	-	- %
	Total (all CCR relevant exposure classes)	**1,903**	**0.16 %**	**146**	**7.71 %**	**1**	**698**	**36.66 %**

57: Template EU CCR5 - Composition of collateral for CCR exposures

As per Article 439 point (e) the template below provides a breakdown of all types of collateral posted or received to support or reduce CCR exposures related to derivative transactions and to SFTs, including transactions cleared through CCP.

		a	b	c	d	e	f	g	h
		Collateral used in derivative transactions				Collateral used in SFTs			
	Collateral type	Fair value of collateral received		Fair value of posted collateral		Fair value of collateral received		Fair value of posted collateral	
		Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated
1	Cash – domestic currency	43	-	352	156	-	-	-	-
2	Cash – other currencies	57	-	61	-	-	-	-	-
3	Domestic sovereign debt	-	-	-	-	-	-	-	-
4	Other sovereign debt	-	-	-	-	-	-	-	-
5	Government agency debt	-	-	-	-	-	-	-	-
6	Corporate bonds	-	-	-	-	-	-	-	-
7	Equity securities	-	-	-	-	-	-	-	-
8	Other collateral	-	-	-	-	-	-	-	-
9	**Total**	**100**	**-**	**413**	**157**	**-**	**-**	**-**	**-**

58: Template EU CCR6 - Credit derivatives exposures

As per Article 439 point (j) the template below sets out the AIB's exposure to credit derivative transactions analysed between derivatives bought or sold.

Increase in Protection bought during the period is due to AIB's management of its credit exposures.

		a	b
		Protection bought	Protection sold
Notionals			
1	Single-name credit default swaps	-	-
2	Index credit default swaps	175	-
3	Total return swaps	-	-
4	Credit options	-	-
5	Other credit derivatives	-	-
6	**Total notionals**	175	-
Fair values			
7	Positive fair value (asset)	-	-
8	Negative fair value (liability)	(6)	-

59: Template EU CCR8 - Exposures to CCPS

As per Article 439 point (i) the template below sets out the Group's exposure to Qualifying Central Counterparty (QCCP).

Decrease in exposures is due to introduction of margin recognition for QCCPs in December.

		a	b
		Exposure value	RWEA
1	**Exposures to QCCPs (total)**		**12**
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	605	12
3	(i) OTC derivatives	605	12
4	(ii) Exchange-traded derivatives	-	-
5	(iii) SFTs	-	-
6	(iv) Netting sets where cross-product netting has been approved	-	-
7	Segregated initial margin	-	
8	Non-segregated initial margin	-	-
9	Prefunded default fund contributions	-	-
10	Unfunded default fund contributions	-	-
11	**Exposures to non-QCCPs (total)**		-
12	Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which	-	-
13	(i) OTC derivatives	-	-
14	(ii) Exchange-traded derivatives	-	-
15	(iii) SFTs	-	-
16	(iv) Netting sets where cross-product netting has been approved	-	-
17	Segregated initial margin	-	-
18	Non-segregated initial margin	-	-
19	Prefunded default fund contributions	-	-
20	Unfunded default fund contributions	-	-

Chapter 13. Disclosure of exposures to securitisation positions

60: Table EU SECA - Qualitative disclosure requirements related to securitisation exposures

As per Article 449, points (a) to (i) see table below:

Legal basis	Row number	Qualitative information	
Article 449(a) CRR	(a)	Description of securitisation and re-securitisation activities; including institutions' risk management and investment objectives in connection with those activities, their role in securitisation and re-securitisation transactions whether they use the Simple Transparent and Standardised (STS) securitisation framework and the extent to which they use securitisation transactions to transfer the credit risk of the securitised exposures to third parties with, where applicable, a separate description of their synthetic securitisation risk transfer policy	The Group is an originator of securitisations (retained) and an investor in securitisations. The Group is not currently a sponsor of any securitisation positions. All securitisation positions are recorded in the Group plc's banking book, and are measured at fair value through Other Comprehensive Income (OCI) or Amortised Cost under the 'Investment Securities' classification in the financial statements. Risk Management: In accordance with its credit risk policy, the Group invests in traditional securitisations. There is a specific Securitisation policy which outlines and governs the risk appetite of the bank from an investor perspective, and is aligned to Article 5 of the Regulation (EU) No 2017/ 2402. Re-securitisations, synthetic investments by way of Credit Default Swaps (CDS) and bespoke and bi-lateral securitisations are not permitted under the policy. Purchase of sub investment grade assets is not permitted under policy. Origination and management of ABS securitisation investments can only be conducted by specified areas of AIB, which have the relevant skills and experience to manage the portfolio. Origination of ABS investments are approved by credit committees in line with the bank's policies and approval frameworks. Depending on asset class, credit assessment includes an assessment of structure and structural protections, cashflow assessment under base and stress cases, performance of underlying assets over time, regulatory environment in the specific jurisdictions (if applicable), assessment of track record of key parties to the transaction etc. From a monitoring perspective, credit assessments are undertaken regularly and approved by the independent risk function on at least an annual basis in line with the Group's credit policies. The Group's Investment objectives in relation securitisations are as follows: As an investor, the Group invests directly in transactions that offer an appropriate risk-adjusted return opportunity and for liquidity purposes, and is an investor in the following: * Senior tranches of traditional securitisations issued by US Government related financial institutions and by residential mortgage backed issuers in Europe, some of these investments qualify as STS securitisations. * Investment grade rated Collateralised Loan Obligations ("CLO's"), Commercial Mortgage Backed Securities ("CMBS") and residential mortgage backed securities ("RMBS") transactions. None of these investments currently qualify as STS securitisations. As an originator, the Group uses securitisations to support its funding activities. The Group sold loans and advances to customers, mainly mortgages, to securitisation special purpose entities ("SSPEs"), which, in turn, issued notes or deposits to external investors. The notes or deposits issued by the SSPEs are on terms which resulted in the Group retaining the majority of ownership risks and rewards and therefore, the loans continue to be recognised on the Group's statement of financial position with all the notes being eliminated on consolidation. See point d for full list of SSPE's. In December 2013, the Group agreed with the Trustee of the AIB UK Defined Benefit Pension Scheme ("the UK scheme") a restructure of the funding of the deficit in the UK scheme. The Group established a pension funding partnership, AIB PFP Scottish Limited Partnership ("SLP") under which a portfolio of loans was transferred to the SLP from another Group entity, AIB UK Loan Management Limited ("UKLM") for the purpose of ring-fencing the repayments on these loans and providing security in respect of future pension payments to the UK scheme. The Group does not currently use securitisation transactions to transfer the credit risk of exposures to third parties via synthetic securitisation risk transfer transactions or otherwise.

Article 449(b) CRR	(b)	The type of risk that institutions are exposed to in their securitisation and re-securitisation activities by level of seniority of the relevant securitisation positions, providing a distinction between STS and non-STS positions and: i) risk retained in own-originated transactions; ii) risk incurred in relation to transactions originated by third parties	The Group is exposed to the following risks in respect of its securitisation activities: (i) Risk retained in own-originated transactions: typically residential mortgage portfolios originated from the Group’s operations, with primary risk being credit risk attached to the underlying asset pool. Liquidity Risk may apply where insufficient funds are received by the SSPE to service payments to the noteholders as they fall due. The underlying asset pools may also be exposed to non-trading interest rate risk and foreign exchange risk. (ii) Risk incurred, where the Group acts as in investor in transactions originated by third-parties, is primarily the credit risk associated with the underlying asset portfolios. Credit risk is mitigated by the structural features of the securitisations, the levels of credit enhancement for AIB’s investments and the fact that the Group does not invest in securitisation notes rated below investment grade. Liquidity risk and market risk are typically fully mitigated by structural features and hedging within the SSPE. The Group adopts the same approach for risk assessment of STS and non-STS transactions, and for senior and non-senior securitisation tranches. All securitisation investments, both senior and non-senior, are subject to initial and on-going due diligence in accordance with Article 5 of Regulation (EU) 2017/2402 and AIB's Credit Risk Policy. Such risks are identified, managed and monitored in line with the Group’s risk management framework.
Article 449(c) CRR	(c)	Institutions’ approaches to calculating the risk-weighted exposure amounts that they apply to their securitisation activities, including the types of securitisation positions to which each approach applies with a distinction between STS and non-STS positions	Effective 1 January 2020, all securitisation positions moved onto the new securitisation framework introduced through amendments to the CRR (Regulation (EU) 2017/2401). The Group applies the hierarchy as set out therein, applying the standardised approach (SEC-SA) for senior securitisation positions and the external ratings based approach (SEC-ERBA) for non-senior positions. The Group does not apply the Internal ratings based approach (SEC-IRBA) to any of its securitisation positions. SEC-SA is the standardised approach, which uses the standardised credit risk treatment of the underlying exposures as the main input into the formula. SEC-ERBA is the external ratings based approach using the listed credit rating agencies, plus additional data requirements. Lower risk weights apply to positons which qualify as STS securitisations. As at 31 Dec 2021, the Group’s traditional STS securitisation positions are risk weighted using the SEC-SA approach in accordance with Article 261 of Regulation (EU) No 575/2013 as amended by Regulation (EU) No 2017/ 2401. The Group’s traditional non-STS securitisation positions are risk weighted using the SEC-SA and SEC-ERBA approaches in accordance with Articles 261 and 263 of Regulation (EU) No 575/2013 as amended by Regulation (EU) No 2017/ 2401.
Article 449(d) CRR	(d)	A list of SSPEs falling into any of the following categories, with a description of their types of exposures to those SSPEs, including derivatives contracts: (i) SSPEs which acquire exposures originated by the institutions; (ii) SSPEs sponsored by the institutions; (iii) SSPEs and other legal entities for which the institutions provide securitisation-related services, such as advisory, asset servicing or management services; (iv) SSPEs included in the institutions' regulatory scope of consolidation	(i) In its role as an originator the Group has the following SSPE’s: a) Burlington Mortgages No. 1 d.a.c. - a residential mortgage loan portfolio comprising loans from 2 of its subsidiaries, EBS d.a.c. and Haven Mortgages Limited. In order to fund the acquired mortgages, Burlington issued twelve classes of notes to EBS d.a.c. and Haven in the same proportion as the mortgages securitised. These notes are retained by AIB Group. b) Arising from the acquisition of EBS on 1 July 2011, the Group has control of the following SSPEs which had previously been set up by EBS: Emerald Mortgages No. 5 d.a.c. Mespil 1 RMBS d.a.c. Following the repurchase by EBS d.a.c. of the mortgage portfolio and the redemption of outstanding bonds during 2020 for both SSPEs, a liquidator was appointed, and the liquidation processes were concluded in 2021. c) AIB Group (UK) p.l.c. Pension Scheme interest in the AIB PFP Scottish Limited Partnership In December 2013, the Group agreed with the Trustee of the AIB UK Defined Benefit Pension Scheme (“the UK scheme”) a restructure of the funding of the deficit in the UK scheme. The Group established a pension funding partnership, AIB PFP Scottish Limited Partnership (“SLP”) under which a portfolio of loans was transferred to the SLP from another Group entity, AIB UK Loan Management Limited (“UKLM”) for the purpose of ring-fencing the repayments on these loans and providing security in respect of future pension payments to the UK scheme. (ii) There are no SSPE's sponsored by the Group at this time (iii) The Group provides securitisation related services to the third party entit

			(iii) The Group provides securitisation related services to the third party entity Beara Finance d.a.c. These comprise of mortgage servicing and cash management services related to portfolio of residential mortgage loans held by Beara and the related Profit Participation Note issued by Beara. (iv) Burlington Mortgages No. 1 d.a.c.
Article 449(e) CRR	(e)	A list of any legal entities in relation to which the institutions have disclosed that they have provided support in accordance with Chapter 5 of Title II of Part Three CRR	There are no contractual arrangements that could require the Group or its subsidiaries to provide financial support to the consolidated structured entities. During the year, neither the Group nor any of its subsidiaries provided financial support to a consolidated structured entity and there is no current intention to provide financial support.
Article 449(f) CRR	(f)	A list of legal entities affiliated with the institutions and that invest in securitisations originated by the institutions or in securitisation positions issued by SSPEs sponsored by the institutions	(i) In its role as an originator the Group has the following SSPE's: a) Burlington Mortgages No. 1 d.a.c. - Notes are issued to EBS d.a.c. and Haven Mortgages Limited (ii) The Group is not currently a sponsor of securitisation positions.
Article 449(g) CRR	(g)	A summary of their accounting policies for securitisation activity, including where relevant a distinction between securitisation and re-securitisation positions	Retained Securitisations: From an accounting perspective, the treatment of SSPE's is assessed in accordance with IFRS 10 Consolidated Financial Statements which establishes the principles for when the Group is deemed to control another entity and therefore required to consolidate it through the Group's financial statements. In accordance with the Group's accounting policy 'Basis of Consolidation', the Group consolidates SSPEs when the substance of the relationship between the Group and the SPE indicates that SPE is controlled by the entity and meets the criteria set out in IFRS 10. The Group derecognises a financial asset when the contractual rights to the cash flows from the assets expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the assets are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the assets. On derecognition of a financial asset, the difference between the carrying amount of the asset and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in Other Comprehensive Income "OCI" is recognised in profit or loss. Relevant costs incurred with the disposal of a financial asset are deducted in computing the gain or loss on disposal. The recognition, initial measurement and associated business models of financial assets are assessed in accordance with the Group's published accounting policy 'Financial assets' and 'Derecognition'. Securitisations which are fair valued are in accordance with the Group's published accounting policy 'Determination of fair value of financial instruments'. This outlines that positions should be valued through direct pricing, as opposed to marking to model, if a reliable and directly observable price for the financial instrument in question is available. The Group did not utilise synthetic securitisation positions during 2021. The Group did not have any re-securitisation positions during 2021 At 31 December 2021, no assets were categorised as awaiting securitisation. The Group does not use credit hedging or unfunded credit protection to mitigate the risks of retained securitisation exposures Investments into third-party Securitisations: are accounted for under IFRS 9 as either (i) hold-to-collect and measured at amortised cost or (ii) hold-to-collect and sell and measured at fair value through Other Comprehensive Income. SPPI testing is applied at the point of origination for all new securitisation investments.

Article 449(h) CRR	(h)	The names of the ECAIs used for securitisations and the types of exposure for which each agency is used	The Group utilises the ratings services of several ECAIs, noting that under AIB's Credit Policy for ABS Investments, all securitisation investments made by AIB must have an external credit rating from at least one of the following ECAI's: Standard & Poor's, Moody's, Fitch Ratings or DBRS. External ratings are used to determine RWA for securitisations where the SEC-ERBA approach is deemed to apply. The Notes in Burlington d.a.c (retained securitisation) are rated by Moody's and DBRS
Article 449(i) CRR	(i)	Where applicable, a description of the Internal Assessment Approach as set out in Chapter 5 of Title II of Part Three CRR including the structure of the internal assessment process and the relation between internal assessment and external ratings of the relevant ECAI disclosed in accordance with point (h), the control mechanisms for the internal assessment process including discussion of independence, accountability, and internal assessment process review, the exposure types to which the internal assessment process is applied and the stress factors used for determining credit enhancement levels	AIB does not hold any securitisation positions wherein it applies the Internal Assessment approach as set out in Chapter 5 of Title II of Part Three CRR.

61: Template EU SEC1 - Securitisation exposures in the non-trading book

As per Article 449 point (j) the template shows AIB as an investor, non-trading book carrying amount of securitisation exposures broken down by type as at 31 December 2021:

The Group does not have ABCP programmes within their traditional securitisations.
Securitisation increased by € 0.3 bn to € 1.6 bn due to the purchase of new securitisations during H2 2021. There was no sales of securitisations during the year.

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
		Institution acts as originator							Institution acts as sponsor				Institution acts as investor			
		Traditional				Synthetic		Sub-total	Traditional		Synthetic	Sub-total	Traditional		Synthetic	Sub-total
		STS		Non-STS												
			of which SRT		of which SRT		of which SRT		STS	Non-STS			STS	Non-STS		
1	**Total exposures**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**44**	**1,556**	**-**	**1,600**
2	Retail (total)	-	-	-	-	-	-	-	-	-	-	-	44	451	-	495
3	residential mortgage	-	-	-	-	-	-	-	-	-	-	-	44	451	-	495
4	credit card	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	other retail exposures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Wholesale (total)	-	-	-	-	-	-	-	-	-	-	-	-	1,105	-	1,105
8	loans to corporates	-	-	-	-	-	-	-	-	-	-	-	-	1,061	-	1,061
9	commercial mortgage	-	-	-	-	-	-	-	-	-	-	-	-	44	-	44
10	lease and receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	other wholesale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

62: Template EU SEC4 - Securitisation exposures in the non-trading book and associated regulatory capital requirements - institution acting as investor

As per Article 449 point (k)(ii) this template shows AIB non-trading book aggregate amount of securitisation positions, where AIB act as investor and the associated risk weighted assets and capital requirements by regulatory approaches as at 31 Dec 2021:

AIB applies the standardised approach and external ratings based approach to determining its Securitisation RWEAs in accordance with Regulation (EU) 2017/2401.

Securitisation RWEAs increased by € 0.1 bn to € 0.9 bn due to the purchase of new securitisations during H2 2021. There was no increase in RWEA as a result of credit under-performance in the securitisation portfolio. There were no sales of securitisations during the half year.

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q
		Exposure values (by RW bands/deductions)					Exposure values (by regulatory approach)				RWEA (by regulatory approach)				Capital charge after cap			
		≤20% RW	>20% to 50% RW	>50% to 100% RW	>100% to <1250% RW	1250% RW/ deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250%/ deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250%/ deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250%/ deductions
1	**Total exposures**	**916**	**-**	**4**	**681**	**-**	**-**	**542**	**1,058**	**-**	**-**	716	157	**-**	**-**	**57**	**13**	**-**
2	Traditional securitisation	916	-	4	681	-	-	542	1,058	-	-	716	157	-	-	57	13	-
3	Securitisation	916	-	4	681	-	-	542	1,058	-	-	716	157	-	-	57	13	-
4	Retail underlying	175	-	4	317	-	-	-	495	-	-	-	72	-	-	-	6	-
5	Of which STS	44	-	-	-	-	-	-	44	-	-	-	4	-	-	-	0	-
6	Wholesale	741	-	-	364	-	-	542	563	-	-	716	85	-	-	57	7	-
7	Of which STS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Synthetic securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Retail underlying	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Wholesale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Chapter 14. Disclosure of the use of the standardised approach for market risk

63: Table EU MRA - Qualitative disclosure requirements related to market risk

As per Article 435(1), points (a) to (d) the table below provides information on the Group's market risk management.

a	Points (a) and (d) of Article 435 (1) CRR A description of the institution's strategies and processes to manage market risk, including: - An explanation of management's strategic objectives in undertaking trading activities, as well as the processes implemented to identify, measure, monitor and control the institution's market risks - A description of their policies for hedging and mitigating risk and strategies and processes for monitoring the continuing effectiveness of hedges	Market risk is managed against a range of Board approved limits which cover market risk in the trading book, interest rate risk in the banking book and credit spread risk in the banking book. The Board approved limits are supplemented by a range of ALCo approved limits. Market risk is identified and assessed using portfolio sensitivities, Value at Risk ("VaR") and stress testing. Interest rate gaps and sensitivities to various risk factors are measured and reported on a daily basis. In terms of the VaR metric, the Group calculates a daily historical simulation VaR to a 95% confidence level, using a one day holding period and based on one year of historic data. The Group's VaR models are regularly back-tested to ensure robustness. In addition to VaR, Capital at Risk ("CaR") is also measured to a one year (1) time horizon, a 99% confidence level and a longer set of data. Nominal, sensitivity and 'stop loss' limits are also used. Market risk is taken on by the bank as a consequence of the bank facilitating its customer requirements for derivatives and to a lesser extent in pursuit of a return. As stated in the bank's Risk Appetite Statement (RAS), the bank does not have an appetite for large proprietary market risk positions in the Trading Book, and has a low appetite for income volatility instead targeting steady, sustainable earnings. Market risk strategy is aligned to the RAS. When a financial instrument is designated as a hedge, the Group formally documents the relationship between the hedging instrument and hedged item as well as its risk management objectives and its strategy for undertaking the various hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of the hedged items. A Structural Interest rate Hedging Programme is used by AIB to ensure a stable Net Interest Income on the Bank's free funds. The 1st Line make proposals to ALCo on how this interest rate management strategy should be effected, outlining the expected net interest income impacts. The 2nd Line provide an accompanying review and challenge to ALCo.
b	Point (b) of Article 435 (1) CRR A description of the structure and organisation of the market risk management function, including a description of the market risk governance structure established to implement the strategies and processes of the institution discussed in row (a) above, and that describes the relationships and the communication mechanisms between the different parties involved in market risk management.	The Group implements a strong risk management approach to protect its customers and mitigate risks. The Group achieve this through identifying the Principal Risks and Uncertainties, including the key Emerging Risk Drivers, which could adversely impact its customers, business, stakeholders and the delivery of the Group's strategic objectives. The Group operates a three lines of defence model for risk management. For market risk the first line comprises the Finance and Treasury functions who report to the CFO. The Group's Finance function is responsible for the identification, measurement and reporting of the Group's aggregate market risk profile. The Group's Treasury function is responsible for managing market risk that has been transferred to it by the customer facing businesses and the Group's Asset and Liability Management ("ALM") function which exists within Finance. The first line documents an annual Market Risk Strategy and Appetite statement as part of the annual financial planning cycle which ensures market risk aligns with the Group's strategic business plan. The Financial Risk function, reporting to the CRO, is responsible for the development of the market risk measurement methodologies. It proposes and maintains the Market Risk Management Framework and Policies as the basis of the Group's control architecture for market risk activities, including the annual agreement of market risk limits (subject to the Board approved Risk Appetite Statement). All subsidiaries within the Group which are exposed to market risk must align to the Market Risk Management Framework. The third line of defence comprises Group Internal Audit which provides third line assurance on market risk. The Group has implemented a strong risk management approach to identifying, assessing and managing risks. To support this approach, a number of frameworks and policies approved by the Board (or Board delegation) are in place which set out the key principles, roles and responsibilities and governance arrangements through which the Group's material risks are managed and mitigated. These frameworks and policies are subject to annual review by

		Group's material risks are managed and mitigated. These frameworks and policies are subject to annual review by the respective risk owners. The monthly Chief Risk Officer ("CRO") Report provides qualitative and quantitative information on the management of the material risks to which the Group is exposed. The core aspects of the Group's risk management framework including Risk strategy and culture, Risk identification and assessment, Risk measurement and management, Risk monitoring, escalating and reporting are set out on page 154 of the Annual Financial Report 2021. The Group undertakes quarterly stress testing on all the Group's exposures including loans and receivables, the investment securities book, equity investments and other exposures related to our Treasury business and the macroeconomic scenarios used for planning and internal stress testing purposes are reviewed by the Asset and Liability Committee (ALCo) and by the Board Risk Committee. An important part of the Group's Risk Management Framework is the setting of the Group Risk Appetite Statement ("RAS"). The RAS is a blend of qualitative statements and quantitative limits and triggers linked to the Group's strategic objectives. The overarching qualitative statements for the RAS are reflected on pages 80 to 81 of the Annual Financial Report 2021. The Group's risk profile is measured against its risk appetite and during 2021 the Group RAS was reported to the Group Risk Committee and Board Risk Committee.
c	Point (c) of Article 435 (1) CRR Scope and nature of risk reporting and measurement systems	The Group assumes market risk as a result of its banking and trading book activities. The main components of market risk are: • Credit spread risk is the exposure of the Group's financial position to adverse movements in the credit spreads of bonds held in the hold-to-collect-and-sell ("HTCS") securities portfolio. Credit spreads are defined as the difference between bond yields and interest rate swap rates of equivalent maturity. The HTCS bond portfolio is the principal source of credit spread risk. The Group also monitors the credit spread risk in its hold-to-collect ("HTC") bond portfolio; • Interest rate risk in the banking book ("IRRBB") is the current or prospective risk to both the earnings and capital of the Group as a result of adverse movements in interest rates. Changes in interest rates impact the underlying value of the Group's assets, liabilities and off-balance sheet instruments and, hence, its economic value (or capital position). Similarly, interest rate changes will impact the Group's net interest income (NII) through interest-sensitive income and expense effects; and • The Group also assumes market risk through its trading book activities which relate to all positions in financial instruments (principally derivatives) that are held with trading intent or in order to hedge positions held with trading intent. Risks associated with valuation adjustments such as credit value adjustment ("CVA") and funding value adjustment ("FVA") are managed by the trading unit in the Group's Treasury function. Market risk is identified and assessed using portfolio sensitivities, Value at Risk ("VaR") and stress testing. Interest rate gaps and sensitivities to various risk factors are measured and reported on a daily basis. In terms of the VaR metric, the Group calculates a daily historical simulation VaR to a 95% confidence level, using a one day holding period and based on one year of historic data. The Group's VaR models are regularly back-tested to ensure robustness. In addition to VaR, Capital at Risk ("CaR") is also measured to a one year(1) time horizon, a 99% confidence level and a longer set of data. Market risk is managed against a range of Board approved VaR limits which cover market risk in the trading book, interest rate risk in the banking book and credit spread risk in the banking book. The Board approved limits are supplemented by a range of ALCo approved limits which include VaR limits, nominal and sensitivity limits and 'stop loss' limits. On a daily basis front office and risk functions receive a range of valuation, sensitivity and market risk measurement reports, while ALCo receives a monthly market risk commentary and summary risk profile. Market risk exposures are reported to the Group Risk Committee ("GRC") and Board Risk Committee ("BRC") on a monthly basis through the CRO Report.

64: Template EU MR1 - Market risk under the standardised approach

As per Article 445 Disclosure of exposure to market risk, this template shows the RWEAs for standardised market risk split between outright products, options and securitisation. This template includes exposures subject to the standardised approach only.

The movement in market risk RWEA from June 2021 is driven by an increase in equity risk of € 15 m, an increase in credit default swaps which resulted in an increase in specific risk of € 35 m RWEA and an increase in interest rate risk which resulted in a € 17 m increase in RWEA.

		a
		RWEAs
	Outright products	
1	Interest rate risk (general and specific)	421
2	Equity risk (general and specific)	16
3	Foreign exchange risk	-
4	Commodity risk[1]	
	Options	
5	Simplified approach[2]	
6	Delta-plus approach	9
7	Scenario approach[3]	
8	Securitisation (specific risk)[4]	
9	**Total**	**446**

(1) AIB does not have commodity risk.
(2) AIB does not have approval for the simplified approach.
(3) AIB does not use the Scenario approach.
(4) AIB does not have trading securitisation instruments or correlation trading portfolios.

Chapter 15. Disclosure of operational risk

65: Table EU ORA - Qualitative information on operational risk

As per Articles 435(1) points (a), (b), (c) and (d), Article 446 and Article 454 see the table below:

Legal basis	Row number		Qualitative information
Points (a), (b), (c) and (d) of Article 435(1) CRR	(a)	Disclosure of the risk management objectives and policies	Strategies & Processes Article 435(1) (a) Operational Risk is the risk arising from inadequate or failed internal processes, people and systems, or from external events. This includes legal risk – the potential for loss arising from the uncertainty of legal proceedings and potential legal proceedings, but excludes strategic and reputational risk. Operational Risk is identified and assessed by the Group's material risk assessment which is a top down process and it also identifies the sub risks i.e. information security (including cyber risk), change risk, physical safety and property risk, continuity and resilience risk, product and proposition risk, third party risk, IT risk, data risk and legal risk. The risk and control assessment is the Group's core bottom-up process for the identification and assessment of operational risk across the Group. There is an Operational Risk Framework in place which sets out the principles, supporting policies, roles and responsibilities, governance arrangements and processes for operational risk management across AIB. Each sub risk has a supporting policy in place to outline the minimum control standards and core policy rules that must be adhered to. The nine material operational sub risks are owned and actively monitored under the Operational Risk Framework (and underlying Policies) to ensure material operational risks are managed effectively within the parameters set out in the Group Risk Appetite Statement (Group RAS). The Operational Risk Framework and Policies set out the process for risk and control assessments, identification of the key non-financial risks arising from key business processes and activities and the process for the escalation of the relevant RAS metric limit and watch-trigger breaches. Structure & organisation of risk management for Operational Risk Article 435(1) (b) The Group Head of Operational Risk reports directly to the Chief Risk Officer and has primary responsibility for the Operational Risk Function. The operational risk objectives which support delivery of AIB's overall strategic objectives are: - Formulate AIB's Risk Appetite for Operational Risk and ensure that AIB's operational risk profile and business and financial plans are consistent with it; - Promote a strong risk culture throughout the organisation; - Establish and maintain the operational risk management architecture of AIB, ensuring that AIB has robust processes in place to identify, assess, monitor, manage and report its key operational risks; - Ensure AIB has a strong risk governance and internal control framework in place; - Ensure through its risk assessment techniques that AIB has sufficient resilience to withstand a range of adverse scenarios; - Support improvements in operational and strategic decisions throughout AIB; and, - Foster an environment of continuous improvement and learning from mistakes. Risk Measurements & Control Article 435(1) (c) Risk and Control Assessment ("RCA") is a core process in the identification and assessment of operational risk across the Group. All business areas must undertake risk assessments and establish appropriate internal controls, in order to ensure that all components, taken together, deliver the control objectives of key risk management processes. The process serves to ensure that key risks are proactively identified, evaluated, monitored and reported, and that appropriate action is taken. Self-assessment of risks is completed at business unit level and is recorded on SHIELD which is the Group's governance, risk and compliance system. SHIELD underpins an enhanced risk culture focused on ensuring better customer outcomes while helping to safeguard, protect and support the Group. RCAs are regularly reviewed and updated by business unit management. A materiality matrix is in place to enable the scoring of risks, and action plans must be developed to provide mitigants for the more significant risks. Each business area is primarily responsible for managing its own risks. The Operational Risk Framework has supporting policies specific to each key operational sub risks to ensure an effective and consistent approach to operational risk management across the Group. Additionally sub risks are measured through a series of metrics which track performance over the previous 12 months e.g. operational risk losses, RCA monitoring, Operational Risk events reporting, cyber security, change initiatives, quality & accessibility of priority data, service availability and the risk appetite statement. Operational Risk is measured through a series of risk appetite metrics and key risk indicators, these include metrics on operational risk losses and events; cyber security, change initiatives, quality and accessibility of priority data, service availability and third party risks.

			The potential impact of the identified risks are then assessed through the ICAAP and stress-testing processes where scenarios relating to this risk (such as internal/external fraud, systems failure, property damage, third party technical issues, disruptive weather conditions) are developed and incorporated into the overall outcomes. The Operational Risk model used to forecast operational risk capital needs k utilises a number of inputs which include internal operational risk event loss data, external operational risk event loss data and loss scenarios which are developed in collaboration with relevant business areas to forecast risk capital needs for operational risk through the Internal Capital Adequacy Assessment Process (ICAAP). Operational Risk Reporting Article 435(1) (c) The primary objective of operational risk reporting is to provide the Board with a timely and pertinent update on the Operational Risk profile. A secondary objective is to provide senior management with an overview of the operational risk profile, in order to support the effective management of risks. Operational Risk is monitored on a monthly basis via the Group's risk governance committees. This provides senior management, through the Operational Risk Committee and Group Risk Committee and the Board through Board Risk Committee with timely updates on the Group's operational risk profile. The profile update details the current status of the Group's key operational risks and includes an overview of current trends. It also includes an update on recent major risk events and any remediation actions/lessons identified following events. Hedging & Mitigating Operational Risk Article 435(1) (d) Operational Risk provides independent second line oversight and challenge of Operational Risk in the organisation. The role of operational risk is to review operational risk management activities across the Group including setting policy and promoting best practice disciplines, augmented by an independent second line assurance process which sits within the Compliance function who provide independent review and objective assurance over the quality and effectiveness of the bank's internal control system, the first line of defence and the risk governance policies and frameworks, via a BRC annually approved risk-based assurance plan. In addition, First Line Assurance within the Segments and key horizontal functions incorporate, facilitate and complete Operational Risk management into relevant assurance reviews within their business area, including testing key controls in each of the business areas and providing assurance that the control environment is operating as it should while providing insights for continuous improvement. Operational Risk is also partially hedged through an insurance programme in place, including a self-insured retention, to cover a number of risk events which would fall under the operational risk umbrella. These include financial lines policies (comprehensive crime/ computer crime/cyber/professional indemnity/civil liability; employment practices liability; directors and officers liability and a suite of general insurance policies to cover such things as property and business interruption, terrorism, employers and public liability and personal accident).
Article 446 CRR	(b)	Disclosure of the approaches for the assessment of minimum own funds requirements	AIB Group uses the standardised approach (TSA) to assess the minimum own funds requirements. The capital requirement is calculated as a percentage of income and uses an average of three year historical income.
Article 446 CRR	(c)	Description of the AMA methodology approach used (if applicable)	N/A - AIB Group uses the Standardised Approach (TSA) to assessing the minimum own fund requirements.
Article 454 CRR	(d)	Disclose the use of insurance for risk mitigation in the Advanced Measurement Approach (if applicable)	N/A - AIB Group uses the Standardised Approach (TSA) to assessing the minimum own fund requirements.

66: Template EU OR1 - Operational risk own funds requirements and risk-weighted exposure amounts

As per Articles 446 and Article 454. Income used in the calculation of own funds requirements is based on the Group's audited figures for each relevant year and increased to reflect the acquisition of Goodbody in 2021. AIB does not use the BIA, ASA or AMA approaches.

Banking activities		a	b	c	d	e
		Relevant indicator			Own funds requirements	Risk exposure amount
		Year-3	Year-2	Last year		
1	Banking activities subject to basic indicator approach (BIA)					
2	Banking activities subject to standardised (TSA) / alternative standardised (ASA) approaches	2,788	2,711	2,402	355	4,435
3	Subject to TSA:	2,788	2,711	2,402		
4	Subject to ASA:					
5	Banking activities subject to advanced measurement approaches AMA					

Chapter 16. Disclosure of remuneration policy

67: Table EU REMA - Remuneration policy

As per Articles 450(1), points (a) to (f), and points (j) and (k), and Article 450(2) see table below

Introduction

These disclosures provide information about the Group's remuneration policies and practices and, more specifically, qualitative information about:
a) the bodies that oversee remuneration;
b) the design and structure of the remuneration system for those individuals who have been identified as Material Risk Takers (MRTs);
c) the ways in which current and future risks are taken into account in the remuneration processes;
d) the ratios between fixed and variable remuneration set in accordance with the regulatory requirements;
e) the ways in which the Group seeks to link performance and remuneration;
f) the ways in which the Group seeks to adjust remuneration to take account of long term performance;
g) the main parameters and rationale for the variable remuneration scheme for which some Group MRTs are eligible;
h) Upon demand from the relevant Member State or competent authority, the total remuneration for each member of the management body or senior management
i) the use of derogations in Article 94(3) CRD.
j) These disclosures also include quantitative information, in aggregate form, about the amounts and structure of the remuneration of MRTs in AIB.

These disclosures also include quantitative information, in aggregate form, about the amounts and structure of the remuneration of MRTs in AIB.

Qualitative disclosures
a) Information relating to the bodies that oversee remuneration
Main body overseeing the remuneration policy

The Remuneration Policy is governed by the Remuneration Committee (the Committee) on behalf of the Board. Its members are non-executive directors of AIB. The Committee is responsible for determining the Remuneration Policy and for overseeing its implementation. The Committee oversees the operation and effectiveness of the Remuneration Policy, including the process for the identification of MRTs.

The Committee further ensures that the Remuneration Policy and practices are subject to a review at least annually, taking into account the alignment of remuneration to the Group's culture for all employees and directors. The annual review is informed by appropriate input from the Group's risk and internal audit functions to ensure that remuneration policies and practices are operating as intended, are consistently applied across the Group and are compliant with regulatory requirements.

The remuneration of Executive Directors, ExCo members and Group Heads of Risk, Compliance and Audit is directly overseen by the Remuneration Committee. The Remuneration Committee delegates authority to management to approve individual remuneration proposals for other MRTs within the agreed policy.

The Committee met on eight occasions during 2021.

External consultants

The Remuneration Committee is supported in its work by PricewaterhouseCoopers (PwC) as the external remuneration consultants appointed by the Committee. Aside from their work supporting the Committee, PwC provides a range of consultancy services to the Group on matters of remuneration, in particular in relation to regulatory matters.

Scope of Remuneration Policy

The scope of the Remuneration Policy includes all financial benefits and extends to all areas, including all individual subsidiaries, entities, branches and to all employees and directors of the Group, including at consolidated and sub-consolidated levels.

Material Risk Takers (MRTs)

AIB's MRTs have been identified in line with the relevant European Commission Delegated Regulation, and principally comprise the following:
i. Executive and non-executive members of the boards of directors of material Group entities;
ii. ExCo Members and their direct reports, including members of Senior Management Teams;

iii. Heads of material subsidiaries, business units and their direct reports, including organisational or legal entities, regions, key business lines or geographical locations;
iv. Heads of Risk and Internal Audit and their direct reports;
v. Members of the most senior credit committee at group level (and similarly for subsidiaries) and at a subsidiary level those staff who have responsibility for initiating, approving or vetoing credit proposals which are significant at a subsidiary level;
vi. Senior management responsible for legal, accounting policies and procedures, finance (incl. taxation and budgeting), human resources, remuneration policy, IT, information security, economic analysis, the prevention of money laundering and terrorist financing, managing outsourcing arrangements and other key risk functions; and
vii. Other key risk takers or higher remunerated staff whose professional activities individually or collectively exert influence on the institution's risk profile, including the ability to enter into transactions, contracts and other risk positions or to approve or veto the introduction of new products.
During 2021, a total of 281 individuals were identified as Material Risk Takers across AIB Group and its material subsidiaries (2020: 246). The increased number of MRTS in 2021 largely reflects the acquisition of Goodbody during the year. For AIB Group, 184 individuals were identified as MRTS during 2021 (2020: 169). The tables for these disclosures have been completed for Material Risk Takers across AIB Group and its material subsidiaries.

b) Information relating to the design and structure of the remuneration system for MRTs
Key features and objectives of remuneration policy

The Group's remuneration philosophy aims to ensure that all employees are rewarded fairly and competitively for their contribution to the Group's future success and growth.
The Group Remuneration Policy sets the framework for all remuneration related policies, procedures and practices for all employees and directors of the Group. It is designed to foster a truly customer focused culture; create long term sustainable value for customers and shareholders; attract, develop, motivate and retain the right calibre of individuals; and safeguard the Group's capital, liquidity and risk positions.
The Group is committed to a simple, transparent and affordable reward structure that clearly links performance and remuneration using a combination of "What" objectives and "How" behaviours. Remuneration of all employees, including MRTs, is designed to promote high performance, a strong risk management culture, and risk-taking aligned to risk appetite.
The Group also aims to align remuneration with industry peers and competitors for talent in each principal geographical location, as assessed against market benchmarks. However, at present, the application of market aligned remuneration policies and practices is significantly constrained for the majority of employees and directors by the terms of Subscription and Placing Agreements entered into by the Group and the Irish Government.
In particular, the AIB Group is precluded from introducing any new bonus or incentive schemes, allowances or other fringe benefits without prior agreement with the State. There is also a cap on individual salaries and allowances of €500,000. When the Group acquired Goodbody in 2021, it was agreed with the Department of Finance that these restrictions would not apply to Goodbody employees.

As a result of the Subscription and Placing Agreements, most of the Group's MRTs received only fixed remuneration in 2021. This comprised a basic salary, allowances, defined contribution pension benefits and other benefits in accordance with local market practice, for example medical insurance and income protection.

Only those MRTs employed by Goodbody, a minority of whom are also Group MRTs, were eligible to receive an annual bonus. The annual bonus scheme is fully discretionary and designed to reward superior customer outcomes, high performance and long term value creation while not incentivising excessive risk taking.
At the discretion of the Remuneration Committee, the performance of Goodbody MRTs is assessed against a combination of both financial and non-financial measures, and takes into account individual performance, business unit performance and overall Goodbody performance. Parts of the awards made to Group MRTs are delivered in shares and subject to deferral. Awards are also subject to ex ante and ex post risk adjustment.

Decision-making process for determining remuneration policy

As articulated above, for the majority of employees and directors, the remuneration policy continues to be constrained by the Subscription and Placing Agreements entered into by the Group and the Irish Government. This results in limited options being available to the Group and their shareholders at this time.
Goodbody was acquired by AIB during 2021, with an existing remuneration policy in place.

Review of remuneration policy

The Committee conducted its annual review of the Group Remuneration Policy and was satisfied that the Policy was operating effectively and as intended given the remuneration restrictions applicable to most MRTs.
The Committee also considered how executive remuneration aligned to wider employee remuneration, how the Policy aligned to the culture of the Group and its five strategic pillars, and how transparent the Group's remuneration policies and practices were to the wider employee population.
The policy has been updated to reflect the acquisition of Goodbody and the fact that the remuneration restrictions applying to AIB do not apply to Goodbody. The additional requirements applicable to the minority of MRTs at Goodbody in receipt of variable pay were incorporated into the design of the variable remuneration for these employees.

Internal control functions

For the majority of employees in Audit, Risk and Compliance functions, in line with the restrictions in place for employees in the rest of the Group, remuneration is solely comprised of fixed pay, and is therefore fully independent of the businesses that they oversee. Remuneration is determined commensurate with their role.
In the case of Goodbody MRTs, who are eligible for variable pay, this is based on performance against objectives linked to their specific functional roles and is independent of the businesses that they oversee. Their remuneration is predominantly fixed in nature.

Guaranteed variable remuneration

AIB does not award guaranteed variable remuneration to new or existing employees. However, a newly hired MRT of Goodbody may, in exceptional circumstances, receive guaranteed remuneration during their first year of service.

The Group may compensate new employees for loss of income from previous employment, for example because an unvested deferred bonus has been forfeited. Such buy-out awards are made only in exceptional cases where they are necessary to attract highly specialised key staff. They are subject to Remuneration Committee approval and, where applicable, to prior agreement with the Department of Finance. Any buy-out awards are limited to the first year of employment and are subject to appropriate requirements on deferral, retention, performance and malus and clawback, taking into consideration the terms of the award made by the previous employer.

Severance pay

Severance payments seek to provide appropriate compensation in cases of early termination of contract and reflect performance achieved over time. They do not reward failure or misconduct and are not awarded where an event has occurred which allows for the immediate cancellation of an employment contract or dismissal of an employee. The Group Remuneration Policy defines the maximum severance pay that can be awarded to an individual and is linked to the number of years of service.

Severance payments for all categories of staff, including MRTs, are made in accordance with defined criteria and the Group's exit framework. All severance proposals are reviewed individually with input from relevant functions. The Remuneration Committee is made aware of severance payments made to MRTs.

c) Description of the ways in which current and future risks are taken into account in the remuneration processes

The constraints of the Subscription and Placing Agreements entered into by AIB and the Irish Government mean that AIB cannot offer variable remuneration to its MRTs (with the exception of those employed by Goodbody). This and, in particular, the inability to offer competitive executive remuneration, represents a key risk to the Group. The Remuneration Committee reviews the Remuneration policy at least annually.

MRTs employed by Goodbody are eligible to receive annual bonus incentives. When awarding performance-based remuneration, the outcome reflects the risks underlying the achieved result and takes into account all types of risk, both current and future risk and crystallised risk events.

Consideration of risk, and any resulting risk adjustment, is a joint process between the control functions and HR, with the final determination of any adjustment being made by the Remuneration Committee incorporating input from the Board Risk Committee and the board of Goodbody.

In considering both current and future risks, a holistic assessment across each material risk of the firm is undertaken by the CRO and Head of Compliance in the first instance. This assessment leverages information from a number of sources and is presented to the Board Risk Committee for its review and assessment to determine if any adjustment is warranted. The Remuneration Committee then makes a determination as to the extent to which bonuses should be reduced to account for risk. This may result in a downwards adjustment to the overall bonus pool and / or adjustments to individual bonus outcomes.

d) The ratios between fixed and variable remuneration set in accordance with point (g) of Article 94(1) CRD

In line with regulatory requirements, AIB operates a fixed to variable remuneration ratio of 1:1 (albeit that for the majority of employees and MRTs, remuneration comprises solely fixed remuneration).

Prior to its acquisition by AIB, during 2021 Goodbody received approval from their shareholder to operate a 2:1 variable to fixed remuneration ratio. Following the acquisition by AIB during 2021, and in line with the overall AIB approach, going forward a 1:1 cap will be operated.

e) Description of the ways in which the institution seeks to link performance during a performance measurement period with levels of remuneration

The Group's performance management framework is a key enabler of strategy, putting the Group's brand values at the centre of ongoing conversations about performance, achievement and personal development. The Group's brand values provide the behavioural framework for how employees work, interact with each other and serve the customer. The framework helps to create a high performance culture where strong performance is recognised and poor performance proactively addressed.

The Group's strategic objectives are cascaded down through the organisation to create a link to individual employees' objectives and to enable an understanding of how individual employees contribute to the delivery of the Group's overall strategy.
Performance outcomes for all employees, including MRTs, using a combination of "What" objectives and "How" behaviours, inform individual remuneration and provide a clear link between performance and remuneration.

As most employees, including MRTs, are precluded from participation in incentive schemes, variable pay cannot be used to clearly link performance with remuneration.

MRTs employed by Goodbody, a minority of whom are Group MRTs, are eligible to receive annual bonus incentives. The awards take into account individual performance, business unit performance and overall Goodbody performance.

Main performance criteria and metrics
As part of the performance assessment framework, an individual's performance is assessed against a combination of both financial and non-financial measures. This includes an assessment of their performance against objectives set at the beginning of the year which reflect the seniority and role of the MRT in question, incorporating both the "What" and the "How", feedback from colleagues and clients and any relevant input from risk and compliance. This helps to reinforce appropriate behaviours and so mitigate operational, consumer and reputational risks.

Link between performance and individual variable remuneration
A percentage of the profits made by Goodbody is available to create a firm-wide bonus pool. This bonus pool is then allocated to the key Goodbody business areas based on the performance of those businesses over the course of the year. The pool available to each business area is then cascaded to individuals based on their performance and contribution during the year, alongside their role and seniority (see previous section).

If no profits are made, no bonus is paid out under the scheme.

Determining the instruments awarded
In light of the ongoing restrictions in place, the majority of Group employees are only in receipt of fixed pay.

In line with regulatory requirements, it may be the case that a small minority of employees in Goodbody (who have been identified as Group MRTs), will receive an element of their variable remuneration in AIB shares. In meeting the requirements to award a proportion of variable pay in instruments, AIB shares were deemed to be the instrument providing the best alignment to the performance of AIB Group.

Adjustments in the event of weak performance
Any discretionary risk adjustment considered by the Remuneration Committee has the potential to apply to either individuals, teams, business units or Goodbody as a whole.

f) Description of the ways in which the institution seeks to adjust remuneration to take account of long term performance
The Subscription and Placing Agreements entered into by AIB and the Irish Government mean that the Group cannot offer variable remuneration to its MRTs (with the exception of those employed by Goodbody). It is the Group's intention to introduce variable remuneration in the future in order to be able to appropriately reward strong long term performance.

Deferral, pay-out in shares, retention periods and vesting
Other than to the extent proportionality can be applied, for each Group MRT employed by Goodbody, 40% of variable remuneration is deferred for 4 years. The deferred element is awarded fully in AIB shares, which vest on a pro-rata basis. Each tranche is subject to a further 12-month holding period.

50% of the non-deferred (upfront) element is delivered in cash. The remaining 50% is delivered in AIB shares and is subject to a 12-month holding period.
For other Goodbody MRTs, the remuneration Committee reserves the right to apply deferral at its discretion.

Ex post adjustments (malus and clawback)
For all AIB Group MRTs and Goodbody MRTs, the Remuneration Committee (the Committee) has the discretion to reduce or impose further conditions on variable pay awards prior to vesting (malus). It also has the discretion to recover incentives after they have vested (clawback). The Committee reviews actual outcomes in the context of underlying business performance and can apply malus and/or clawback to variable remuneration at its discretion.

Malus may be applied to all deferred variable remuneration awarded to MRTs (both AIB Group MRTs and Goodbody MRTs) for the duration of the applicable deferral period.

Clawback may be applied:
● for those MRTs in receipt of a deferred element, for the duration of the deferral period plus the holding period;
● for those MRTs not subject to deferral, for a 3 year period.

The Remuneration Committee considers the application of malus and / or clawback where it believes at least one of the following triggers is met:
● Discovery of a material misstatement resulting in an adjustment in the historical audited accounts of an AIB Group company;
● The discovery that any information used to determine the number of shares was based on error, or inaccurate or misleading information;
● Action or conduct of a participant which amounts to fraud or gross misconduct;
● Events or the behaviour of a participant have led to the censure of an AIB Group company by a regulatory authority or have had a significant detrimental impact on the reputation of any AIB Group company provided that the Committee is satisfied that the relevant participant was responsible for the censure or reputational damage and that the censure or reputational damage is attributable to them;
● A material failure of risk management;
● Corporate failure of an AIB Group company;
● Where a participant participated in or was responsible for conduct which resulted in significant losses to the Group;
● Where a participant failed to meet appropriate standards of fitness and propriety;
● Where an AIB Group company or business unit suffers a significant downturn in its financial performance;
● Where there are significant increases in an AIB Group company or business unit's economic or regulatory capital base (for example, as a result of regulatory intervention);
● Any other circumstances the Committee considers relevant.

g) The description of the main parameters and rationale for any variable components scheme and any other non-cash benefit
For the reasons explained above, only Goodbody MRTs were eligible for variable remuneration components in 2021. There was one scheme available to them, namely the annual bonus incentive.

This scheme is designed to incentivise the delivery of annual goals at Group, business unit and individual levels. These aim to meet AIB Group and Goodbody's objectives of sustained long-term value creation for consumers, the parent company, and its shareholders. These, in turn, contribute to the objectives of the wider AIB Group.

By using both financial and non-financial criteria to assess the performance of individuals, Goodbody aims to promote sustainable financial growth attained through values and behaviours that are aligned with the firm's culture.

h) **Upon demand from the relevant Member State or competent authority, the total remuneration for each member of the management body or senior management**

The required information will be provided upon demand.

i) Use of derogations in Article 94(3) CRD

AIB Group does benefit from the derogation laid down in Article 94(3)(b) CRD because 4 Group MRTs employed by Goodbody received variable remuneration in respect of their performance in 2021 which did not exceed €50,000 and which did not represent more than one-third of their total remuneration for 2021. The policies on deferral, pay-out in shares and retention periods were not applied to these individuals.

The aggregated 2021 remuneration of the 4 Goodbody Group MRTs benefiting from this derogation was:
total fixed remuneration: €0.25 m
total variable remuneration: €0.05 m
total remuneration: €0.30 m

Remuneration amounts above are rounded to the nearest €0.05 m.

i) The total remuneration for each member of the management body or senior management.

Quantitative information on the remuneration of the collective management body, differentiating between executive and non-executive members in accordance with Article 450(2) CRR, is disclosed in the tables in these disclosures.

68: Template EU REM1 - Remuneration awarded for the financial year

As per Article 450(1), point (h)(i) and (h)(ii) the table below discloses the amounts of remuneration awarded for the financial year, split into fixed remuneration including a description of the fixed components, and variable remuneration, and the number of beneficiaries; the amounts and forms of awarded variable remuneration, split into cash, shares, share-linked instruments and other types separately for the part paid upfront and the deferred part. Variable remuneration predominantly relates to severance payments, in addition to bonus payments to Goodbody MRTs (it was agreed with the Department of Finance that existing restrictions on variable remuneration would not apply to Goodbody employees following the Group's purchase of Goodbody during 2021).

*As remuneration amounts are rounded to €100k in the tables, relatively small amounts in the variable remuneration section for other identified staff (relating to amounts in shares and the portion of that which is deferred) have rounded to 0.

			a	b	c	d
			MB Supervisory function	MB Management function	Other senior management	Other identified staff
1	Fixed remuneration	Number of identified staff	14	2	8	257
2		Total fixed remuneration	1.2	1.2	4.2	47
3		Of which: cash-based	1.2	1.2	4.2	47
4		(Not applicable in the EU)				
EU-4a		Of which: shares or equivalent ownership interests	-	-	-	-
5		Of which: share-linked instruments or equivalent non-cash instruments	-	-	-	-
EU-5x		Of which: other instruments	-	-	-	-
6		(Not applicable in the EU)				
7		Of which: other forms	-	-	-	-
8		(Not applicable in the EU)				
9	Variable remuneration	Number of identified staff	-	-	-	39
10		Total variable remuneration	-	-	-	4.1
11		Of which: cash-based	-	-	-	4.1
12		Of which: deferred	-	-	-	0
EU-13a		Of which: shares or equivalent ownership interests	-	-	-	*0
EU-14a		Of which: deferred	-	-	-	*0
EU-13b		Of which: share-linked instruments or equivalent non-cash instruments	-	-	-	-
EU-14b		Of which: deferred	-	-	-	-
EU-14x		Of which: other instruments	-	-	-	-
EU-14y		Of which: deferred	-	-	-	-
15		Of which: other forms	-	-	-	-
16		Of which: deferred	-	-	-	-
17	Total remuneration (2 + 10)		1.2	1.2	4.2	51.1

69: Template EU REM2 - Special payments to staff whose professional activities have a material impact on institutions’ risk profile (identified staff)

As per Article 450(1), point (h)(v), (h)(vi) and (h)(vii) , the table below discloses the guaranteed variable remuneration awards during the financial year, and the number of beneficiaries of those awards; the severance payments awarded in previous periods, that have been paid out during the financial year; the amounts of severance payments awarded during the financial year, split into paid upfront and deferred, the number of beneficiaries of those payments and highest payment that has been awarded to a single person.

		a	b	c	d
		MB Supervisory function	MB Management function	Other senior management	Other identified staff
	Guaranteed variable remuneration awards				
1	Guaranteed variable remuneration awards - Number of identified staff	-	-	-	-
2	Guaranteed variable remuneration awards -Total amount	-	-	-	-
3	Of which guaranteed variable remuneration awards paid during the financial year, that are not taken into account in the bonus cap	-	-	-	-
	Severance payments awarded in previous periods, that have been paid out during the financial year				
4	Severance payments awarded in previous periods, that have been paid out during the financial year - Number of identified staff	-	-	-	-
5	Severance payments awarded in previous periods, that have been paid out during the financial year - Total amount	-	-	-	-
	Severance payments awarded during the financial year				
6	Severance payments awarded during the financial year - Number of identified staff	-	-	-	17
7	Severance payments awarded during the financial year - Total amount	-	-	-	3.8
8	Of which paid during the financial year	-	-	-	3.8
9	Of which deferred	-	-	-	-
10	Of which severance payments paid during the financial year, that are not taken into account in the bonus cap				
11	Of which highest payment that has been awarded to a single person	-	-	-	0.3

70: Template EU REM3 - Deferred remuneration

As per Articles 450(1), points (h)(iii) and (h)(iv)the table below discloses the amounts of deferred remuneration awarded for previous performance periods, split into the amount due to vest in the financial year and the amount due to vest in subsequent years and the amount of deferred remuneration due to vest in the financial year that is paid out during the financial year, and that is reduced through performance adjustments.

		a	b	c	d	e	f	EU - g	EU - h
	Deferred and retained remuneration	Total amount of deferred remuneration awarded for previous performance periods	Of which due to vest in the financial year	Of which vesting in subsequent financial years	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in the financial year	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in future performance years	Total amount of adjustment during the financial year due to ex post implicit adjustments (i.e.changes of value of deferred remuneration due to the changes of prices of instruments)	Total amount of deferred remuneration awarded before the financial year actually paid out in the financial year	Total of amount of deferred remuneration awarded for previous performance period that has vested but is subject to retention periods
1	MB Supervisory function	-	-	-	-	-	-	-	-
2	Cash-based	-	-	-	-	-	-	-	-
3	Shares or equivalent ownership interests	-	-	-	-	-	-	-	-
4	Share-linked instruments or equivalent non-cash instruments	-	-	-	-	-	-	-	-
5	Other instruments	-	-	-	-	-	-	-	-
6	Other forms	-	-	-	-	-	-	-	-
7	MB Management function	-	-	-	-	-	-	-	-
8	Cash-based	-	-	-	-	-	-	-	-
9	Shares or equivalent ownership interests	-	-	-	-	-	-	-	-
10	Share-linked instruments or equivalent non-cash instruments	-	-	-	-	-	-	-	-
11	Other instruments	-	-	-	-	-	-	-	-
12	Other forms	-	-	-	-	-	-	-	-
13	Other senior management	-	-	-	-	-	-	-	-
14	Cash-based	-	-	-	-	-	-	-	-
15	Shares or equivalent ownership interests	-	-	-	-	-	-	-	-
16	Share-linked instruments or equivalent non-cash instruments	-	-	-	-	-	-	-	-
17	Other instruments	-	-	-	-	-	-	-	-
18	Other forms	-	-	-	-	-	-	-	-
19	Other identified staff	-	-	-	-	-	-	-	-
20	Cash-based	-	-	-	-	-	-	-	-
21	Shares or equivalent ownership interests	-	-	-	-	-	-	-	-
22	Share-linked instruments or equivalent non-cash instruments	-	-	-	-	-	-	-	-
23	Other instruments	-	-	-	-	-	-	-	-
24	Other forms	-	-	-	-	-	-	-	-
25	Total amount	-	-	-	-	-	-	-	-

71: Template EU REM4 - Remuneration of 1 million 1: Template EUR or more per year

As per Articles 450(1), point (g) the table below discloses the number of individuals that have been remunerated € 1 m or more per financial year, with the remuneration between € 1 m and € 5 m broken down into pay bands of € 0.5 m and with the remuneration of € 5 m and above broken down into pay bands of € 1 m.

		a
	EUR	Identified staff that are high earners as set out in Article 450(i) CRR
1	1 000 000 to below 1 500 000	-
2	1 500 000 to below 2 000 000	-
3	2 000 000 to below 2 500 000	-
4	2 500 000 to below 3 000 000	-
5	3 000 000 to below 3 500 000	-
6	3 500 000 to below 4 000 000	-
7	4 000 000 to below 4 500 000	-
8	4 500 000 to below 5 000 000	-
9	5 000 000 to below 6 000 000	-
10	6 000 000 to below 7 000 000	-
11	7 000 000 to below 8 000 000	-
12	> 8 000 000	-

72: Template EU REM5 - Information on remuneration of staff whose professional activities have a material impact on institutions' risk profile (identified staff)

As per Articles 450(1), point (g) the table below discloses the aggregate quantitative information on remuneration, broken down by business area. Variable remuneration predominantly relates to severance payments, in addition to bonus payments to Goodbody MRTs (it was agreed with the Department of Finance that existing restrictions on variable remuneration would not apply to Goodbody employees following the Group's purchase of Goodbody during 2021).

		a	b	c	d	e	f	g	h	i	j
		Management body remuneration			Business areas						
		MB Supervisory function	MB Management function	Total MB	Investment banking	Retail banking	Asset management	Corporate functions	Independent internal control functions	All other	Total
1	Total number of identified staff										281
2	Of which: members of the MB	14	2	16							
3	Of which: other senior management				1	1	-	5	1	-	
4	Of which: other identified staff				53	74	-	58	57	15	
5	Total remuneration of identified staff	1.2	1.2	2.4	10	17.6	-	15.7	11.1	0.9	
6	Of which: variable remuneration	-	-	-	1.2	2.1	-	-	0.8	-	
7	Of which: fixed remuneration	1.2	1.2	2.4	8.8	15.5	-	15.7	10.3	0.9	

Chapter 17. Disclosure of encumbered and unencumbered assets

73: Template EU AE1 - Encumbered and unencumbered assets

As per Article 443 the table below sets out the encumbered and unencumbered assets.

		Carrying amount of encumbered assets		Fair value of encumbered assets		Carrying amount of unencumbered assets		Fair value of unencumbered assets	
			of which: notionally eligible EHQLA and HQLA		of which: notionally eligible EHQLA and HQLA		Of which: notionally eligible EHQLA and HQLA		Of which: notionally eligible EHQLA and HQLA
		010	030	040	050	060	080	090	0100
010	**Assets of the disclosing institution**	**18,259**	**11,635**			**105,849**	**33,036**		
030	Equity instruments	-	-	-	-	270	-	270	-
040	Debt securities	10,494	10,482	10,538	10,482	6,157	2,572	6,180	2,590
050	of which: covered bonds	1,794	1,794	1,794	1,794	1,212	1,212	1,212	1,212
060	of which: securitisations	66	61	66	61	1,582	590	1,737	590
070	of which: issued by general governments	7,646	7,646	7,690	7,646	694	694	739	739
080	of which: issued by financial corporations	2,571	2,559	2,571	2,559	5,124	1,755	5,126	1,755
090	of which: issued by non-financial corporations	270	270	270	270	388	171	390	171
120	Other assets	7,552	1,142			99,630	38,031		

74: Template EU AE2 - Collateral received and own debt securities issued

As per Article 443 the table below sets out the encumbered and unencumbered assets of the collateral received.

		Fair value of encumbered collateral received or own debt securities issued		Unencumbered	
				Fair value of collateral received or own debt securities issued available for encumbrance	
			of which notionally eligible EHQLA and HQLA		of which EHQLA and HQLA
		010	030	040	060
130	**Collateral received by the disclosing institution**	**540**	**540**	**2,080**	**768**
140	Loans on demand	-	-	82	-
150	Equity instruments	-	-	-	-
160	Debt securities	540	540	1,941	768
170	of which: covered bonds	496	496	252	4
180	of which: securitisations	-	-	1,053	-
190	of which: issued by general governments	44	44	670	670
200	of which: issued by financial corporations	496	496	1,329	98
210	of which: issued by non-financial corporations	-	-	-	-
220	Loans and advances other than loans on demand	-	-	68	-
230	Other collateral received	-	-	-	-
240	**Own debt securities issued other than own covered bonds or securitisations**	**-**	**-**	**-**	**-**
241	**Own covered bonds and securitisations issued and not yet pledged**			**9,256**	**-**
250	**TOTAL COLLATERAL RECEIVED AND OWN DEBT SECURITIES ISSUED**	**15,924**	**9,798**		

75: Template EU AE3 - Sources of encumbrance

As per Article 443 the table below sets out the encumbered assets and associated liabilities.

		Matching liabilities, contingent liabilities or securities lent	Assets, collateral received and own debt securities issued other than covered bonds and securitisations encumbered
		010	030
010	**Carrying amount of selected financial liabilities**	**12,578**	**17,011**

76: Table EU AE4 - Accompanying narrative information

As per Article 443 concerning information on encumbered and unencumbered assets of AIB Group.

Row number	Qualitative information	
(a)	General narrative information on asset encumbrance	• Asset encumbrance arises from collateral pledged against secured funding and other collateralised obligations. The encumbered assets referenced below will not agree to those disclosed in the AIB Group Annual Report. The reported values represent the median of the values reported to the regulator via supervisory returns over the period 1 January 2021 to 31 December 2021. Whereas the reported values in the AIB Group Annual Report disclosure are as at year end. • The asset encumbrance disclosure is consolidated at the group consolidated level excluding those assets pursuant to article 18 of the CRR - see Table 3: EU LI3 - Differences in scope of consolidation. • The exposure value used is in line with implementing Regulation (EU) No 680/2014. The median values are based on quarter end point-in-time (PiT) figures covering the year to 31 December 2021.
(b)	Narrative information on the impact of the business model on assets encumbrance and the importance of encumbrance to the institution's business model, which provides users with the context of the disclosures required in Template EU AE1 and EU AE2.	• The ability to encumber certain pools of assets is a key element of the Group's liquidity and funding strategy. As part of managing its funding requirements, the Group encumbers assets as collateral to support wholesale funding initiatives. In particular, encumbrance through the repo markets plays a role in funding the Group's investment securities portfolio. The funding of customer loans is also supported through the issuance of covered bonds and securitisations. The Group is required to place cash with the Central Bank of Ireland and the Bank of England to meet minimum reserve and cash ratio deposit requirements which cannot be freely withdrawn. Other lesser sources of encumbrance include cash placed, mainly with banks and central clearing parties, in respect of derivative liabilities, sterling notes and coins issued and loan collateral pledged in support of pension liabilities in AIB Group (UK) p.l.c. • Secured funding between Allied Irish Banks, p.l.c. and other Group entities (e.g. EBS d.a.c. and AIB Group (UK) p.l.c.) is an element of the Group's liquidity management processes. The Group recognises the restrictions on the transfer of liquidity between jurisdictions and separately monitors asset encumbrance by jurisdictions. The Group's Asset and Liability Committee ("ALCo") is the governance forum with accountability for reviewing and monitoring the Group's level of asset encumbrance. • The Group's wholly owned subsidiary, AIB Mortgage Bank u.c. ("AIBMB"), issues residential mortgage backed asset covered securities ("ACS") in accordance with relevant legislative requirements. The level of over-collateralisation is commensurate with highly rated covered bond issuance. AIBMB is required to maintain minimum contractual over-collateralisation of 5% and minimum legislative over collateralisation of 3% on a prudent market value basis. This is monitored by the Covered Asset Monitor on behalf of the Central Bank of Ireland. AIBMB holds higher levels of assets in their covered pools in order to meet rating agency requirements and beyond this for reasons of operational flexibility. In addition, AIBMB is committed to maintaining an Overcollateralisation Percentage of at least 120%. For this purpose, "Overcollateralisation Percentage" means the proportion (expressed as a percentage) of the total nominal or principal amount outstanding of the mortgage credit assets and substitution assets comprised in AIBMB's cover assets pool to the total nominal or principal amount outstanding of mortgage covered securities in issue by AIBMB. • All Group entities repo bonds centrally for liquidity management purposes. Bonds held centrally contribute to the Group's liquidity buffer and do not add to the Group's encumbrance level unless used in a repo transaction or pledged externally. At 31 December 2021, there were € 11.0 bn retained covered bonds in issue of which € 3.4 bn were encumbered in repo or collateral swap transactions. • Row 120 "Other assets"of template EU AE1 is made up of loans and advances of which, € 6.1 bn are encumbered (primarily made up of mortgages), loans on demand of which, € 1.5 bn are encumbered and the remainder being other assets. The other assets subcategory includes deferred tax assets, intangible assets and goodwill, derivative assets, property, plant and equipment. • Regarding the items included in column 060,"Carrying amount of unencumbered assets'" in template EU AE1, report items 030 "Equity Instruments" and the other asset subcategory within item 120 "Other assets" would not be considered available for encumbrance in the normal course of business. • The "Carrying amount of selected financial liabilities" that are "Matching liabilities, contingent liabilities or securities lent" in template EU AE3 is primarily made up of Deposits in support of the Groups participation in the ECB three year Targeted Long Term Refinancing Operation III (€ 10.3 bn) scheme and Debt Securities in support of the Groups external covered bond issuance programme (€ 1.8 bn).

Chapter 18. Disclosure of exposures to interest rate risk on positions not held in the trading book

77: Table EU IRRBBA - Qualitative information on interest rate risks of non-trading book activities

As per Article 488 see table below

Legal basis	Row number		Qualitative information
Article 448 (1) (e), first paragraph	(a)	A description of how the institution defines IRRBB for purposes of risk control and measurement.	Non-trading interest rate risk (also referred to as interest rate risk in the banking book "IRRBB") is defined as the current or prospective risk to both the Group's capital and earnings arising from movements in interest rates that effect the banking book positions. IRRBB results from the structure of the Group's balance sheet due to normal banking activity with customers and from treasury's discretionary positions in the banking book. This risk can arise where assets, liabilities and off-balance sheet items have different repricing dates, interest rate basis or behavioural characteristics. The Group requires that interest rate risk is positioned centrally for management purposes. **The management of IRRBB is aligned to the following strategic aims and objectives :** i AIB is a retail and commercial Bank and any significant market risk-taking must be aligned with the Group's overall strategy and appetite and be proportionate to the size and nature of the Group's core banking activities. ii AIB manages structural market risks centrally as part of the Bank's ALM process, seeking to achieve stable Net Interest Income balanced against the capital required to support economic value risks (i.e. Structural Hedging); iii Market risk management is a core competence of Treasury who are mandated to add value through discretionary risk-taking within delegated limits. IRRBB is managed against a range of Board approved risk limits which cover both Economic Value and Earnings perspectives. The Board approved limits are supplemented by a wider range of ALCo approved limits which include VaR limits, nominal and sensitivity metrics. iii Market risk management is a core competence of Treasury who are mandated to add value through discretionary risk-taking within delegated limits. IRRBB is managed against a range of Board approved risk limits which cover both Economic Value and Earnings perspectives. The Board approved limits are supplemented by a wider range of ALCo approved limits which include VaR limits, nominal and sensitivity metrics.
Article 448 (1) (f)	(b)	A description of the institution's overall IRRBB management and mitigation strategies.	**IRRBB management and mitigation strategies** The first line comprises the Finance and Treasury functions who report to the CFO. The Group's Finance function is responsible for the identification, measurement and reporting of the Group's aggregate market risk profile. The Group's Treasury function is responsible for managing market risk that has been transferred to it by the customer facing businesses and the Group's Asset and Liability Management ("ALM") function which exists within Finance. Treasury also has a mandate to trade on its own account in selected wholesale markets with risk tolerances approved on an annual basis through the Group's Risk Appetite process. The first line documents an annual Market Risk Strategy statement as part of the annual financial planning cycle which ensures market risk aligns with the Group's strategic business plan. The Financial Risk function, reporting to the CRO, is responsible for the development of market risk measurement methodologies. It proposes and maintains the Market Risk Management Framework and Policies as the basis of the Group's control architecture for market risk activities, including the annual agreement of market risk limits (subject to the Board approved Risk Appetite Statement). The third line of defence comprises Group Internal Audit which provides third line assurance on market risk. The Group recognises that the effective management of IRRBB is essential to the maintenance of stable earnings, the preservation of shareholder value and the achievement of the Group's strategic objectives. It is Group policy to minimise exposure to IRRBB subject to defined limits, though certain structural market risks remain and, in some cases, are difficult to eliminate fully. The management of IRRBB strikes an sound balance between the benefits of consciously maintaining Earnings Sensitivity close to a target level against the Economic Value risk that can arise as a consequence.
			IRRBB risk measurement

Article 448 (1) (e) (i) and (v); Article 448 (2) Article 448 (1) (e) (ii); Article 448 (2) Article 448 (1) (c); Article 448 (2)	(c.) (e.) (g)	The periodicity of the calculation of the institution's IRRBB measures, and a description of the specific measures that the institution uses to gauge its sensitivity to IRRBB. A description of the key modelling and parametric assumptions different from those used for disclosure of template EU IRRBB1 (if applicable). A description of key modelling and parametric assumptions used for the IRRBB measures in template EU IRRBB1 (if applicable).	Non-trading interest rate risk is measured and controlled in AIB using an economic value stress test, an earnings at risk and a VaR approach. As per Article 448 (a), the nature of the interest rate risk and the key assumptions are outlined here: - For the economic value stress test, the interest rate sensitivity profiles of the various components of AIB's balance sheet are measured and severe but plausible interest rate shocks are applied to these profiles. The magnitude of the interest rate shocks is consistent with a one year holding period and a 99% confidence level. The resulting change in economic value as a result of the application of these shocks is the IRRBB economic value exposure. Basis risk is a component of this IRRBB risk measurement model. This measurement is calculated and reported monthly. - An earnings at risk (EaR) measurement approach measures the quantity by which the Group's annual net interest income might change in the event of an adverse change in interest rates. EaR is estimated quarterly by modelling how net interest income would perform under different interest rate environments and selecting the 99% worst scenario to apply to the balance sheet. An earnings sensitivity measurement of how the Group's annual net interest income would change under parallel rate shifts is also calculated and reported monthly. - IRRBB is also quantified using a 95% one day VaR measure and sensitivity measures. The VaR and interest rate sensitivity values are produced and reported daily for internal control purposes. Certain components of the balance sheet such as non-maturity deposits and the Group's equity are modelled using behaviourally adjusted assumed lives. - The NII scenarios presented are produced on a static balance sheet basis. The Bank uses a dynamic balance sheet for strategic planning purposes. Assumptions are also made about how the relationship between market and retail interest rates would develop in different interest rate environments. These assumptions are determined using a combination of statistical analysis and management judgement. Commercial margins are not considered when modelling from an economic value perspective but are included when modelling from an earnings perspective. - The economic value and NII earnings stress tests apply a lower bound (a floor) to downward interest rate shocks in EUR, GBP and USD in line with the SOT rate shock floors. - Certain products have contractual floors that are also reflected in the risk analysis. Whilst early withdrawals of fixed term deposits and drawing of commitments are risks which exist, they are not considered to be a material risk and are not included in IRRBB modelling
Article 448 (1) (e) (iii); Article 448 (2)	(d)	A description of the interest rate shock and stress scenarios that the institution uses to estimate changes in the economic value and in net interest income (if applicable).	**The following scenarios are used to measure economic value and/or net interest income:** - 99% 1 year shock - Parallel shock up +100bps - Parallel shock down -100bps - Earnings at Risk rate scenario **The following SOT scenarios are used to measure the economic value of equity:** - Parallel shock up +100bps - Parallel shock down -100bps - Steepener (short rates down and long rates up) - Flattener (short rates up and long rates down) - Short rates up - Short rates down
			Structural Hedging Programme

Article 448 (1) (e) (iv); Article 448 (2)	(f)	A high-level description of how the bank hedges its IRRBB, as well as the associated accounting treatment (if applicable).	The Structural Hedging Programme (SHP) is managed by Group ALM and provides the framework for assessing this balance, culminating in the articulation of an (at least) annual SHP Recommendation to Group ALCo. The supporting analysis considers the latest Financial Plan forecasts, NII scenario analysis, IRRBB stress test scenarios and input from Treasury in terms of the Bank's Rate view. In framing the annual SHP Strategy, Group ALM take into account the following criteria: i Balance Sheet mix – an analysis of the current and prospective forecast of balance sheet evolution, focusing on both volume change and the interest rate profile. ii Earnings Volatility – portfolios that contribute the most (and least) variation to expected income/expense are evaluated, with particular emphasis on the outturn of monthly Earnings Sensitivity (Static B/S) metrics. iii Economic Value – the quantum of capital required to support open interest rate risk positions attributable to gap risk, basis risk and customer behaviour are all estimated. iv Treasury Rate View – insight is sought from the Front office to understand where we are in the interest rate cycle (i.e. lower for longer), the consequent read through to Bank margin compression, as well as the likely trajectory for SHP portfolio returns. v Other Considerations – Regulatory: the extent to which SHP term risk can be offset with behaviouralised Core NMD balances and/or Core Capital when calculating ICAAP Pillar 2; Accounting: Cashflow Hedging requirements/capacity and he read through to changes in the Bank's Reserve Account. IBOR Transition: the timing of Libor repapering and impact on basis risk profile. Treasury are responsible for executing the SHP instructions in the market, managing the Bank's consolidated interest rate risk profile and also retain the capacity to take discretionary Banking Book risk on its own account. Consequently, the size, shape and duration of the actual 3rd party swap portfolio does not mirror the intended "model SHP portfolio" approved annually by ALCo. However, the portfolio is mandated to retain a broadly replicating structure, targeting a weighted average life of circa 5 years and a policy of incremental new investments. Additional Treasury-centric limits exist within the framework ensure the various dimensions of Treasury's active position management is appropriately controlled e.g. daily PV01, VaR, EV metrics and limits.
Article 448 (1) (g)	(1) (2)	Disclosure of the average and longest repricing maturity assigned to non-maturity deposits	- The bank has completed a behavioural modelling exercise to determine the expected behaviour of non-maturing deposits. The analysis modelled the historical behaviour of accounts within the bank, with the accounts categorised into similar cohorts, and modelled as groups to ensure consistent behaviour of account types. The cohorts are split into Core / Non Core volumes, with the Core volumes attracting a longer dated maturity profile. For the Core volumes the average maturity ranges from 3.4 to 5 years (with Regulatory Caps applied), with a maximum re-pricing maturity of 10 years for retail deposits. In the absence of Regulatory caps, the modelled maturity can reach 20 years. The modelling of the interest calculated on the Non-Maturing account cohorts is modified to reflect increased interest charges under large interest stresses from the baseline scenario. The modelling reflects that, for these instantaneous stressed interest rate rising scenarios (>= +100bps), the volumes of non-maturing deposits will migrate to deposits with higher interest reward. - In addition the Bank assigns modelled weighted average lives to some customer asset products also such as overdrafts and credit cards. Non-performing loans have time periods assigned based on credit analysis information on expected recovery of cashflows which is incorporated into the Banking Book EV risk position.
Article 448 (1) (d)	(h)	Explanation of the significance of the IRRBB measures and of their significant variations since previous disclosures	**IRRBB measurement variation from previous period** The previous period results are shown in the table EU IRRBB1. The increases in NII regulatory and internal shock outcomes from June 2021 to December 2021 are mainly driven by a € 3 bn increase in balances held at the ECB Deposit Rate, creating greater sensitivity of earnings to short end rate movements. The increases in Internal and SOT EV shock outcomes are primarily driven by increases in the receive fixed structural hedge over the period. An additional table has been provided in percentage terms relative to Own Funds to give an indication of the significance of the different shocks.
Article 448 (1) (d)	(i)	Any other relevant information regarding the IRRBB measures disclosed in template EU IRRBB1 (optional)	Not applicable for this period

78: Template EU IRRBB1 - Interest rate risks of non-trading book activities

The following table shows the impact on the Group’s net interest income and change of the economic value for the banking book positions. Also shown is the impact on net interest income and the economic value of equity from interest rate changes under the six standard scenarios defined by the European Banking Authority (EBA) known as the Supervisory Outlier Test (SOT), in these scenarios equity is excluded from the cash flows and the EBA prescribed floors are applied which will limit the impact on downward shocks.

The previous period results are shown in the table with comments on variation provided below.
The increases in NII regulatory and internal shock outcomes from June 2021 to December 2021 are mainly driven by a € 3 bn increase in balances held at the ECB Deposit Rate, creating greater sensitivity of earnings to short end rate movements.
The increases in Internal and SOT EV shock outcomes are primarily driven by increases in the receive fixed structural hedge over the period.
The table has been provided in percentage terms relative to Own Funds to give an indication of the significance of the different shocks.

Template EU IRRBB1 - Interest rate risks of non-trading book activities

Supervisory shock scenarios		a	b	c	d
		Changes of the economic value of equity		Changes of the net interest income	
		Current period	Last period	Current period	Last period
1	Parallel up	(767)	(765)	713	660
2	Parallel down	148	103	(315)	(253)
3	Steepener	15	(21)		
4	Flattener	(211)	(162)		
5	Short rates up	(429)	(367)		
6	Short rates down	121	76		

		Economic Value Impact		Net Interest Impact	
		31/12/2021	30/06/2021	31/12/2021	30/06/2021
	99% 1 year shock	(317)	(279)		
	Parallel 100bps shock up			272	243
	Parallel 100bps shock down			(272)	(248)
	Earnings at Risk rate scenario			(462)	(449)

		Economic Value Impact		Net Interest Impact	
	Supervisory Outlier Test	31/12/2021	30/06/2021	31/12/2021	30/06/2021
1	Parallel shock up	(767)	(765)	713	660
2	Parallel shock down	148	103	(315)	(253)
3	Steepener (short rates down and long rates up)	15	(21)		
4	Flattener (short rates up and long rates down)	(211)	(162)		
5	Short rates up	(429)	(367)		
6	Short rates down	121	76		
	TOTAL CAPITAL	12,741	12,483	12,741	12,483

The following table quantifies the change in EV and NII as a % of total capital

		Economic Value Impact		Net Interest Impact	
		31/12/2021	30/06/2021	31/12/2021	30/06/2021
	99% 1 year shock	(2.49)%	(2.24)%		
	Parallel 100bps shock up			2.13 %	1.95 %
	Parallel 100bps shock down			(2.13)%	(1.99)%
	Earnings at Risk rate scenario			(3.63)%	(3.60)%

		Economic Value Impact		Net Interest Impact	
	Supervisory Outlier Test	31/12/2021	30/06/2021	31/12/2021	30/06/2021
1	Parallel shock up	(6.02)%	(6.13)%	5.60 %	5.29 %
2	Parallel shock down	1.16 %	0.83 %	(2.47)%	(2.03)%
3	Steepener (short rates down and long rates up)	0.12 %	(0.17)%		
4	Flattener (short rates up and long rates down)	(1.66)%	(1.30)%		
5	Short rates up	(3.37)%	(2.94)%		
6	Short rates down	0.95 %	0.61 %		

Chapter 19. Disclosure of COVID-19 measures

The Pillar 3 report includes three templates per the EBA Guidelines on reporting and disclosure of exposures subject to measures applied in response to the COVID-19 crisis (EBA/GL/2020/07) published in June 2020, which introduced additional disclosure requirements in relation to the application of payment moratoria to existing loans as well as new lending subject to public guarantees schemes.

In January 2022, the EBA confirmed the need to continue monitoring exposures and the credit quality of loans benefitting from various public support measures following the uncertainty over COVID-19 developments. To facilitate such monitoring, the Guidelines on the reporting and disclosure of exposures subject to measures applied in response to the COVID-19 crisis continue to apply until further notice.

79: Information on loans and advances subject to legislative and non-legislative moratoria

The template below covers loans and advances subject to EBA-compliant moratoria (legislative and non-legislative). It provides a breakdown of the gross carrying amount and the related loss allowances by the status of the exposure (performing and non-performing).

As at December 2021, there were only € 0.02 m active loans and advances subject to EBA-compliant moratoria since the majority of eligible moratoria have come to expire (€ 3.7 m as at June 2021). As at September 2020, AIB decided not to further extend EBA-compliant moratoria.

There has been no economic losses realised on loans and advances subject to EBA-compliant moratoria in 2021.

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
		Gross carrying amount							Accumulated impairment, accumulated negative changes in fair value due to credit risk							Gross carrying amount
			Performing			Non performing				Performing			Non performing			
				Of which: exposures with forbearance measures	Of which: Instruments with significant increase in credit risk since initial recognition but not credit-impaired (Stage 2)		Of which: exposures with forbearance measures	Of which: Unlikely to pay that are not past-due or past-due <= 90 days			Of which: exposures with forbearance measures	Of which: Instruments with significant increase in credit risk since initial recognition but not credit-impaired (Stage 2)		Of which: exposures with forbearance measures	Of which: Unlikely to pay that are not past-due or past-due <= 90 days	Inflows to non-performing exposures
1	Loans and advances subject to moratorium	0	0	-	0	-	-	-	(0)	(0)	-	(0)	-	-	-	-
2	of which: Households	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	*of which: Collateralised by residential immovable property*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	of which: Non-financial corporations	0	0	-	0	-	-	-	(0)	(0)	-	(0)	-	-	-	-
5	*of which: Small and Medium-sized Enterprises*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	*of which: Collateralised by commercial immovable property*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

80: Breakdown of loans and advances subject to legislative and non-legislative moratoria by residual maturity of moratoria

The template below covers EBA-compliant moratoria (legislative and non-legislative) loans and advances that meet the requirements described in paragraph 10 of the EBA Guidelines on moratoria. It provides information on the number of obligors and gross carrying amount of loans and advances subject to different statuses of EBA-compliant moratoria (requested/granted). In addition, the template contains a breakdown by the residual maturity of EBA-compliant moratoria and information on the gross carrying amount of legislative moratoria as per the definition of the EBA Guidelines on moratoria.

Majority of the EBA-compliant moratoria (65%) granted in response to COVID-19 pandemic had a duration of up to 3 months, while the remaining moratoria had maturity of between 3 months and 6 months or between 6 and 9 months.

Almost all of loans and advances subject to EBA-compliant moratoria were expired at December 2021. The reduction in gross carrying amount of loans and advances since June 2021 reflects loan repayments.

Within households, sectors that received most EBA-compliant moratoria were: mortgages for principal dwelling houses and buy to let residential properties, other personal loans, other housing finance, arts, entertainment and recreation, education.

Within non-financial corporations, sectors that received most EBA-compliant moratoria were: accommodation and food services, real estate, human health services and social work, wholesale and retail trade, transport and storage, manufacturing.

		a	b	c	d	e	f	g	h	i
			Gross carrying amount							
						Residual maturity of moratoria				
		Number of obligors		Of which: legislative moratoria	Of which: expired	<= 3 months	> 3 months <= 6 months	> 6 months <= 9 months	> 9 months <= 12 months	> 1 year
1	Loans and advances for which moratorium was offered	67,102	7,629							
2	Loans and advances subject to moratorium (granted)	53,463	7,284	-	7,284	0	-	-	-	-
3	of which: Households		3,170	-	3,170	-	-	-	-	-
4	*of which: Collateralised by residential immovable property*		2,831	-	2,831	-	-	-	-	-
5	of which: Non-financial corporations		4,114	-	4,114	0	-	-	-	-
6	*of which: Small and Medium-sized Enterprises*		2,817	-	2,817	-	-	-	-	-
7	*of which: Collateralised by commercial immovable property*		2,653	-	2,653	-	-	-	-	-

81: Information on newly originated loans and advances provided under newly applicable public guarantee schemes introduced in response to COVID-19 crisis

The template below covers newly originated loans and advances as referred to in paragraph 15 of these guidelines that are subject to public guarantee schemes that Member States introduced in response to the COVID-19 crisis. In the case of refinancing of previous debt with a new loan or of repackaging of several debts into a new loan, the new loan recognised in the financial statements is reported in this template provided that it is covered by a public guarantee scheme related to the COVID-19 crisis.

As at December 2021, there are € 459 m newly originated loans and advances subject to public guarantee scheme related to the COVID-19 crisis, of which € 455 m (99%) are performing loans.

The newly originated loans and advances subject to public guarantee scheme related to the COVID-19 crisis has reduced due to the removal of UK Public Guarantees post Brexit.

The residual maturity split of the newly originated loans and advances is as follows:
50%: > 2 year <= 5 year, 40%: over 5 years, and the remaining 10%: <= 2 years.

Within non-financial corporations, the sectors that have received the majority of loans and advances subject to public guarantee schemes are agriculture, forestry and fishing, wholesale and retail trade, construction, and accommodation and food services.

		a	b	c	d
		Gross carrying amount		Maximum amount of the guarantee that can be considered	Gross carrying amount
			of which: forborne	Public guarantees received	Inflows to non-performing exposures
1	**Newly originated loans and advances subject to public guarantee schemes**	**459**	**2**	**360**	**3**
2	of which: Households	2			-
3	of which: Collateralised by residential immovable property	-			-
4	of which: Non-financial corporations	458	2	359	3
5	of which: Small and Medium-sized Enterprises	421			2
6	of which: Collateralised by commercial immovable property	-			-

CRR Roadmap

CRR Ref	Article Name	AIB Group compliance reference
Article 431	**Article 431 Disclosure requirements and policies**	
Article 431(1)	Institutions shall publicly disclose the information referred to in Titles II and III in accordance with the provisions laid down in this Title, subject to the exceptions referred to in Article 432.	AIB Group Pillar 3 Disclosures at 31 December 2021 ("P3").
Article 431(2)	Institutions that have been granted permission by the competent authorities under Part Three for the instruments and methodologies referred to in Title III of this Part shall publicly disclose the information laid down therein.	AIB will publicly disclose the relevant information under Title III Qualifying Requirements for the Use of Particular Instruments or Methodologies that AIB has been granted permission by the competent authority under Part Three for the instruments and methodologies. See Article 452 - 455 below for details.
Article 431(3)	The management body or senior management shall adopt formal policies to comply with the disclosure requirements laid down in this Part and put in place and maintain internal processes, systems and controls to verify that the institutions' disclosures are appropriate and in compliance with the requirements laid down in this Part. At least one member of the management body or senior management shall attest in writing that the relevant institution has made the disclosures required under this Part in accordance with the formal policies and internal processes, systems and controls. The written attestation and the key elements of the institution's formal policies to comply with the disclosure requirements shall be included in institutions' disclosures. Information to be disclosed in accordance with this Part shall be subject to the same level of internal verification as that applicable to the management report included in the institution's financial report. Institutions shall also have policies in place to verify that their disclosures convey their risk profile comprehensively to market participants. Where institutions find that the disclosures required under this Part do not convey the risk profile comprehensively to market participants, they shall publicly disclose information in addition to the information required to be disclosed under this Part. Nonetheless, institutions shall only be required to disclose information that is material and not proprietary or confidential as referred to in Article 432.	Annual - Table EU CCRA – Qualitative disclosure related to CCR : Row 4 Introduction: Disclosure policy, Attestation, Verification
Article 431(4)	All quantitative disclosures shall be accompanied by a qualitative narrative and any other supplementary information that may be necessary in order for the users of that information to understand the quantitative disclosures, noting in particular any significant change in any given disclosure compared to the information contained in the previous disclosures.	AIB will ensure all quantitative disclosures will be accompanied by a qualitative narrative and any other supplementary information that may be necessary in order for the users of that information to understand the quantitative disclosures, noting in particular any significant change in any given disclosure compared to the information contained in the previous disclosures. Annual - Table EU CCRA – Qualitative disclosure related to CCR: Row 4
Article 431(5)	Institutions shall, if requested, explain their rating decisions to SMEs and other corporate applicants for loans, providing an explanation in writing when asked. The administrative costs of that explanation shall be proportionate to the size of the loan.	AIB provides explanations of ratings decisions to SMEs whose loan applications were declined in writing, if requested. AIB participates in a formal appeals process, overseen by a Government appointed Head of Credit Review. In the case of larger corporates, written explanations are not usually requested as direct discussions with relationship managers takes place.
Article 432	**Article 432 Non-material, proprietary or confidential information**	
Article 432(1)	With the exception of the disclosures laid down in point (c) of Article 435(2) and in Articles 437 and 450, institutions may omit one or more of the disclosures listed in Titles II and III where the information provided by those disclosures is not regarded as material. Information in disclosures shall be regarded as material where its omission or misstatement could change or influence the assessment or decision of a user of that information relying on it for the purpose of making economic decisions. EBA shall issue guidelines, in accordance with Article 16 of Regulation (EU) No 1093/2010, on how institutions have to apply materiality in relation to the disclosure requirements of Titles II and III.	AIB complies with all relevant disclosure requirements with regards to materiality.
Article 432(2)	Institutions may also omit one or more items of information referred to in Titles II and III where those items include information that is regarded as proprietary or confidential in accordance with this paragraph, except for the disclosures laid down in Articles 437 and 450.	AIB does not omit any information on the grounds that it may be proprietary or confidential.
Article 432(2)	Information shall be regarded as proprietary to institutions where disclosing it publicly would undermine their competitive position. Proprietary information may include information on products or systems that would render the investments of institutions therein less valuable, if shared with competitors. Information shall be regarded as confidential where the institutions are obliged by customers or other counterparty relationships to keep that information confidential. EBA shall issue guidelines, in accordance with Article 16 of Regulation (EU) No 1093/2010, on how institutions have to apply proprietary and confidentiality in relation to the disclosure requirements of Titles II and III.	AIB does not omit any information on the grounds that it may be proprietary or confidential.
Article 432(3)	In the exceptional cases referred to in paragraph 2, the institution concerned shall state in its disclosures the fact that specific items of information are not being disclosed and the reason for not disclosing those items, and publish more general information about the subject matter of the disclosure requirement, except where that subject matter is, in itself, proprietary or confidential.	Not applicable.
Article 433	**Article 433 Frequency and scope of disclosures**	
Article 433	Institutions shall publish the disclosures required under Titles II and III in the manner set out in Articles 433a, 433b and 433c. Annual disclosures shall be published on the same date as the date on which institutions publish their financial statements or as soon as possible thereafter. Semi-annual and quarterly disclosures shall be published on the same date as the date on which the institutions publish their financial reports for the corresponding period where applicable or as soon as possible thereafter. Any delay between the date of publication of the disclosures required under this Part and the relevant financial statements shall be reasonable and, in any event, shall not exceed the timeframe set by competent authorities pursuant to Article 106 of Directive 2013/36/EU.	Introduction
Article 433a	**Article 433a Disclosures by large institutions**	
Article 433a(1)	Large institutions shall disclose the information outlined below with the following frequency:	Introduction

Article 433a(1)(a)	(a) all the information required under this Part on an annual basis;	See below for applicable disclosure requirements. Not Applicable. Annual Template EU INS1 Insurance participations. AIB has no insurance undertakings. Not Applicable. Annual Template EU INS2 Financial conglomerates - Information on own funds and capital adequacy ratio. AIB is not a financial conglomerate. Not Applicable. Annual Template EU MRB Qualitative disclosure requirements for institutions using the internal Market Risk Models. All market risk is treated under standardised approach.
Article 433a(1)(b)	(b) on a semi-annual basis the information referred to in:	Introduction
Article 433a(1)(b)(i)	(i) point (a) of Article 437;	Semi-annual - Template EU CC1 - Composition of regulatory own funds; Semi-annual - EU CC2 - Reconciliation of regulatory own funds to balance sheet in the audited financial statements.
Article 433a(1)(b)(ii)	(ii) point (e) of Article 438;	Not applicable. Semi-annual - Template EU CR10 - Specialised lending and equity exposures under the simple risk weighted approach. AIB does not use the simple risk weight approach for specialised lending or equity exposures.
Article 433a(1)(b)(iii)	(iii) points (e) to (l) of Article 439;	Semi annual - Template EU CCR1 – Analysis of CCR exposure by approach; Semi annual - Template EU CCR2 – Transactions subject to own funds requirements for CVA risk; Semi annual - Template EU CCR3 – Standardised approach – CCR exposures by regulatory exposure class and risk weights; Semi annual - Template EU CCR4 – IRB approach – CCR exposures by exposure class and PD scale; Semi annual - Template EU CCR5 – Composition of collateral for CCR exposures; Semi annual - Template EU CCR6 – Credit derivatives exposures; Semi annual - Template EU CCR8 – Exposures to CCPs.
Article 433a(1)(b)(iv)	(iv) Article 440;	Semi annual - Template EU CCyB1 - Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer; Semi annual - Template EU CCyB2 - Amount of institution-specific countercyclical capital buffer.
Article 433a(1)(b)(v)	(v) points (c), (e), (f) and (g) of Article 442;	Semi annual - Template EU CR1: Performing and non-performing exposures and related provisions; Semi annual - Template EU CR1-A: Maturity of exposures; Semi annual - Template EU CR2 - Changes in the stock of non-performing loans and advances, (Note at year end if publish EU CR2-a, AIB will not publish EU CR2) Annual & threshold - Template EU CR2a: Changes in the stock of non-performing loans and advances and related net accumulated recoveries; Semi annual - Template EU CQ1: Credit quality of forborne exposures; Annual & threshold - Template EU CQ2: Quality of forbearance; Annual - Template EU CQ3: Credit quality of performing and non-performing exposures by past due days; Annual & threshold based (cols b and d); Semi annual (cols a, c, e, f and g only)- Template EU CQ4: Quality of non-performing exposures by geography; Annual & threshold based (cols b and d); Semi annual (cols a, c, e and f) - Template EU CQ5: Credit quality of loans and advances by industry; Annual & threshold - Template EU CQ6: Collateral valuation - loans and advances; Semi annual - Template EU CQ7: Collateral obtained by taking possession and execution processes; Annual & threshold - Template EU CQ8: Collateral obtained by taking possession and execution processes – vintage breakdown.
Article 433a(1)(b)(vi)	(vi) point (e) of Article 444;	Semi annual - Template EU CR5 – standardised approach.
Article 433a(1)(b)(vii)	(vii) Article 445;	Semi annual - Template EU MR1 – Market risk under the standardised approach.
Article 433a(1)(b)(viii)	(viii) point (a) and (b) of Article 448(1);	Annual - Non-trading interest rate risk variation.
Article 433a(1)(b)(ix)	(ix) point (j) to (l) of Article 449;	Semi annual - Template EU SEC1 - Securitisation exposures in the non-trading book; Not Applicable. Semi-annual - Template EU SEC2 Securitisation exposures in the trading book. AIB does not have securitised exposures in the trading book. Not Applicable. Semi-annual - Template EU SEC3 Securitisation exposures in the non-trading book and associated regulatory capital requirements - institution acting as originator or as sponsor. AIB does not act as originator or as sponsor. Semi annual - Template EU SEC4 - Securitisation exposures in the non-trading book and associated regulatory capital requirements - institution acting as investor. Not Applicable. Semi-annual - Template EU SEC5 Exposures securitised by the institution - Exposures in default and specific credit risk adjustments. AIB does not have exposures securitised that are in default or have specific credit risk adjustments.
Article 433a(1)(b)(x)	(x) points (a) and (b) of Article 451(1);	Semi annual - Template EU LR1 - LRSum: Summary reconciliation of accounting assets and leverage ratio exposures; Semi annual - Template EU LR2 - LRCom: Leverage ratio common disclosure; Semi annual - Template EU LR3 - LRSpl: Split-up of on balance sheet exposures (excluding derivatives, SFTs and exempted exposures).

Article 433a(1)(b)(xi)	(xi) Article 451a(3);	Semi annual - Template EU LIQ2 - Net Stable Funding Ratio.
Article 433a(1)(b)(xii)	(xii) point (g) of Article 452;	Semi annual - Template EU CR6 – IRB approach – Credit risk exposures by exposure class and PD range; Semi annual - Template EU CCR4 – IRB approach – CCR exposures by exposure class and PD scale.
Article 433a(1)(b)(xiii)	(xiii) points (f) to (j) of Article 453;	Semi annual - Template EU CR3 – CRM techniques overview: Disclosure of the use of credit risk mitigation techniques; Semi annual - Template EU CR4 – standardised approach – Credit risk exposure and CRM effects; Semi annual - Template EU CR7 – IRB approach – Effect on the RWEAs of credit derivatives used as CRM techniques; Semi annual - Template EU CR7-A – IRB approach – Disclosure of the extent of the use of CRM techniques.
Article 433a(1)(b)(xii)	(xiv) points (d), (e) and (g) of Article 455;	Not applicable. Semi annual - Template EU MR2–A Market risk under the Internal Model Approach (IMA). All market risk is treated under standardised approach. Not applicable. Semi annual - Template EU MR3 IMA values for trading portfolios. All market risk is treated under standardised approach. Not applicable. Semi annual - Template EU MR4 Comparison of VaR estimates with gains/losses. All market risk is treated under standardised approach.
Article 433a(1)(c)	(c) on a quarterly basis the information referred to in:	See below for applicable disclosure requirements.
Article 433a(1)(c)(i)	(i) points (d) and (h) of Article 438;	Quarterly - Template EU OV1 – Overview of risk weighted exposure amounts; Quarterly - Template EU CR8 – RWEA flow statements of credit risk exposures under the IRB approach. Not applicable. Quarterly - Template EU CCR7 – RWEA flow statements of CCR exposures under the IMM. AIB does not use the IMM and instead use SA-CCR for derivatives under counterparty credit risk. Not applicable. Quarterly - Template EU MR2–B - RWEA flow statements of market risk exposures under the IMA. All market risk is treated under standardised approach.
Article 433a(1)(c)(ii)	(ii) the key metrics referred to in Article 447;	Quarterly - Template EU KM1 - Key metrics template.
Article 433a(1)(c)(iii)	(iii) Article 451a(2).	Quarterly - Template EU LIQ1 - Quantitative information of LCR; Quarterly - Table EU LIQB on qualitative information on LCR, which complements template EU LIQ1.
Article 433a(2)	By way of derogation from paragraph 1, large institutions other than G-SIIs that are non-listed institutions shall disclose the information outlined below with the following frequency:	Not applicable.
Article 433a(2)(a)	(a) all the information required under this Part on an annual basis; (b) the key metrics referred to in Article 447 on a semi-annual basis.	Not applicable.
Article 433a(3)	Large institutions that are subject to Article 92a or 92b shall disclose the information required under Article 437a on a semi-annual basis, except for the key metrics referred to in point (h) of Article 447, which are to be disclosed on a quarterly basis.	Not applicable.
Article 433b	**Article 433b Disclosures by small and non-complex institutions**	Not applicable.
Article 433b(1)	Small and non-complex institutions shall disclose the information outlined below with the following frequency:	Not applicable.
Article 433b(1)(a)	(a) on an annual basis the information referred to in:	Not applicable.
Article 433b(1)(a)(i)	(i) points (a), (e) and (f) of Article 435(1);	Not applicable.
Article 433b(1)(a)(ii)	(ii) point (d) of Article 438;	Not applicable.
Article 433b(1)(a)(iii)	(iii) points (a) to (d), (h), (i), (j) of Article 450(1);	Not applicable.
Article 433b(1)(b)	(b) on a semi-annual basis the key metrics referred to in Article 447.	Not applicable.
Article 433b(2)	By way of derogation from paragraph 1 of this Article, small and non-complex institutions that are non-listed institutions shall disclose the key metrics referred to in Article 447 on an annual basis.	Not applicable.
Article 433c	**Article 433c Disclosures by other institutions**	Not applicable.
Article 433c(1)	Institutions that are not subject to Article 433a or 433b shall disclose the information outlined below with the following frequency:	Not applicable.
Article 433c(1)(a)	(a) all the information required under this Part on an annual basis;	Not applicable.
Article 433c(1)(a)	(b) the key metrics referred to in Article 447 on a semi-annual basis.	Not applicable.
Article 433c(2)	By way of derogation from paragraph 1 of this Article, other institutions that are non-listed institutions shall disclose the following information on an annual basis:	Not applicable.
Article 433c(2)(a)	(a) points (a), (e) and (f) of Article 435(1);	Not applicable.
Article 433c(2)(b)	(b) points (a, (b) and (c) of Article 435(2);	Not applicable.
Article 433c(2)(c)	(c) point (a) of Article 437;	Not applicable.
Article 433c(2)(d)	(d) points (c) and (d) of Article 438;	Not applicable.
Article 433c(2)(e)	(e) the key metrics referred to in Article 447;	Not applicable.
Article 433c(2)(f)	(f) points (a) to (d), (h) to (k) of Article 450(1).	Not applicable.
Article 434	**Article 434 Means of disclosures**	
Article 434(1)	Institutions shall disclose all the information required under Titles II and III in electronic format and in a single medium or location. The single medium or location shall be a standalone document that provides a readily accessible source of prudential information for users of that information or a distinctive section included in or appended to the institutions' financial statements or financial reports containing the required disclosures and being easily identifiable to those users.	Introduction - Pillar 3 is available on the AIB Investor Relations website.
Article 434(2)	Institutions shall make available on their website or, in the absence of a website, in any other appropriate location an archive of the information required to be disclosed in accordance with this Part. That archive shall be kept accessible for a period of time that shall be no less than the storage period set by national law for information included in the institutions' financial reports.	Introduction - Pillar 3 archive is available on the AIB Investor Relations website.
Article 434a	**Article 434a Uniform disclosure formats**	

Article 434a	EBA shall develop draft implementing technical standards specifying uniform disclosure formats, and associated instructions in accordance with which the disclosures required under Titles II and III shall be made. Those uniform disclosure formats shall convey sufficiently comprehensive and comparable information for users of that information to assess the risk profiles of institutions and their degree of compliance with the requirements laid down in Parts One to Seven. To facilitate the comparability of information, the implementing technical standards shall seek to maintain consistency of disclosure formats with international standards on disclosures. Uniform disclosure formats shall be tabular where appropriate. EBA shall submit those draft implementing technical standards to the Commission by 28 June 2020. Power is conferred on the Commission to adopt those implementing technical standards in accordance with Article 15 of Regulation (EU) No 1093/2010.	EBA published the final version of the ITS on 21/04/2021: Commission Implementing Regulation (EU) 2021/637 of 15 March 2021 laying down implementing technical standards with regard to public disclosures by institutions of the information referred to in Titles II and III of Part Eight of Regulation (EU) No 575/2013 of the European Parliament and of the Council and repealing Commission Implementing Regulation (EU) No 1423/2013, Commission Delegated Regulation (EU) 2015/1555, Commission Implementing Regulation (EU) 2016/200 and Commission Delegated Regulation (EU) 2017/2295. AIB is compliant with this regulation.
Article 435	**Article 435 Disclosure of risk management objectives and policies**	
Article 435(1)	Institutions shall disclose their risk management objectives and policies for each separate category of risk, including the risks referred to in this Title. Those disclosures shall include:	Annual - Table EU OVA - Institution risk management approach, Annual - Table EU LIQA - Liquidity risk management , Annual - Table EU ORA - Qualitative information on operational risk.
Article 435(1)(a)	(a) the strategies and processes to manage those categories of risks;	Annual - Table EU OVA - Institution risk management approach, Annual - Table EU LIQA - Liquidity risk management , Annual - Table EU CRA - General qualitative information about credit risk, Annual - Table EU MRA - Qualitative disclosure requirements related to market risk, Annual Table EU ORA - Qualitative information on operational risk.
Article 435(1)(b)	(b) the structure and organisation of the relevant risk management function including information on the basis of its authority, its powers and accountability in accordance with the institution's incorporation and governing documents;	Annual - Table EU OVA - Institution risk management approach, Annual - Table EU LIQA - Liquidity risk management , Annual - Table EU CRA - General qualitative information about credit risk, Annual - Table EU MRA - Qualitative disclosure requirements related to market risk, Annual - Table EU ORA - Qualitative information on operational risk
Article 435(1)(c)	(c) the scope and nature of risk reporting and measurement systems;	Annual - Table EU OVA - Institution risk management approach, Annual - Table EU LIQA - Liquidity risk management , Annual - Table EU MRA - Qualitative disclosure requirements related to market risk, Annual - Table EU ORA - Qualitative information on operational risk.
Article 435(1)(d)	(d) the policies for hedging and mitigating risk, and the strategies and processes for monitoring the continuing effectiveness of hedges and mitigants;	Annual - Table EU OVA - Institution risk management approach, Annual - Table EU LIQA - Liquidity risk management , Annual - Table EU CRA - General qualitative information about credit risk, Annual - Table EU MRA - Qualitative disclosure requirements related to market risk, Annual - Table EU ORA - Qualitative information on operational risk.
Article 435(1)(e)	(e) a declaration approved by the management body on the adequacy of the risk management arrangements of the relevant institution providing assurance that the risk management systems put in place are adequate with regard to the institution's profile and strategy;	Annual - Table EU OVA - Institution risk management approach, Annual - Table EU LIQA - Liquidity risk management.
Article 435(1)(f)	(f) a concise risk statement approved by the management body succinctly describing the relevant institution's overall risk profile associated with the business strategy; that statement shall include:	Annual - Table EU OVA - Institution risk management approach, Annual - Table EU LIQA - Liquidity risk management, Annual - Table EU CRA - General qualitative information about credit risk.
Article 435(1)(f)(i)	(i) key ratios and figures providing external stakeholders a comprehensive view of the institution's management of risk, including how the risk profile of the institution interacts with the risk tolerance set by the management body;	Annual - Table EU OVA - Institution risk management approach, Annual - Table EU LIQA - Liquidity risk management
Article 435(1)(f)(ii)	(ii) information on intragroup transactions and transactions with related parties that may have a material impact of the risk profile of the consolidated group.	Annual - Table EU OVA - Institution risk management approach, Annual - Table EU LIQA - Liquidity risk management
Article 435(2)	Institutions shall disclose the following information regarding governance arrangements:	Annual - Table EU OVB - Disclosure on governance arrangements.
Article 435(2)(a)	(a) the number of directorships held by members of the management body;	Annual - Table EU OVB - Disclosure on governance arrangements.
Article 435(2)(b)	(b) the recruitment policy for the selection of members of the management body and their actual knowledge, skills and expertise;	Annual - Table EU OVB - Disclosure on governance arrangements.
Article 435(2)(c)	(c) the policy on diversity with regard to selection of members of the management body, its objectives and any relevant targets set out in that policy, and the extent to which those objectives and targets have been achieved;	Annual - Table EU OVB - Disclosure on governance arrangements.
Article 435(2)(d)	(d) whether or not the institution has set up a separate risk committee and the number of times the risk committee has met;	Annual - Table EU OVB - Disclosure on governance arrangements.
Article 435(2)(e)	(e) the description of the information f low on risk to the management body.	Annual - Table EU OVB - Disclosure on governance arrangements.
Article 436	**Article 436 Disclosure of the scope of application**	
Article 436	Institutions shall disclose the following information regarding the scope of application of this Regulation as follows:	See below for applicable disclosure requirements.
Article 436(a)	(a) the name of the institution to which this Regulation applies;	AIB Group plc.
Article 436(b)	(b) a reconciliation between the consolidated financial statements prepared in accordance with the applicable accounting framework and the consolidated financial statements prepared in accordance with the requirements on regulatory consolidation pursuant to Sections 2 and 3 of Title II of Part One; that reconciliation shall outline the differences between the accounting and regulatory scopes of consolidation and the legal entities included within the regulatory scope of consolidation where it differs from the accounting scope of consolidation; the outline of the legal entities included within the regulatory scope of consolidation shall describe the method of regulatory consolidation where it is different from the accounting consolidation method, whether those entities are fully or proportionally consolidated and whether the holdings in those legal entities are deducted from own funds;	Annual - Template EU LI3 - Outline of the differences in the scopes of consolidation (entity by entity) , Annual - Table EU LIA - Explanations of differences between accounting and regulatory exposure amounts.
Article 436(c)	(c) a breakdown of assets and liabilities of the consolidated financial statements prepared in accordance with the requirements on regulatory consolidation pursuant to Sections 2 and 3 of Title II of Part One, broken down by type of risks as referred to under this Part;	Annual - Template EU LI1 – Differences between the accounting scope and the scope of prudential consolidation and mapping of financial statement categories with regulatory risk categories.
Article 436(d)	(d) a reconciliation identifying the main sources of differences between the carrying value amounts in the financial statements under the regulatory scope of consolidation as defined in Sections 2 and 3 of Title II of Part One, and the exposure amount used for regulatory purposes; that reconciliation shall be supplemented by qualitative information on those main sources of differences;	Annual - Template EU LI2 – Main sources of differences between regulatory exposure amounts and carrying values in financial statements, Annual - Table EU LIA - Explanations of differences between accounting and regulatory exposure amounts.

Article 436(e)	(e) for exposures from the trading book and the non-trading book that are adjusted in accordance with Article 34 and Article 105, a breakdown of the amounts of the constituent elements of an institution's prudent valuation adjustment, by type of risks, and the total of constituent elements separately for the trading book and non-trading book positions;	Annual - Template EU PV1 - Prudent valuation adjustments (PVA).
Article 436(f)	(f) any current or expected material practical or legal impediment to the prompt transfer of own funds or to the repayment of liabilities between the parent undertaking and its subsidiaries;	Annual - Table EU LIB - Other qualitative information on the scope of application.
Article 436(g)	(g) the aggregate amount by which the actual own funds are less than required in all subsidiaries that are not included in the consolidation, and the name or names of those subsidiaries;	Annual - Table EU LIB - Other qualitative information on the scope of application.
Article 436(h)	(h) where applicable, the circumstances under which use is made of the derogation referred to in Article 7 or the individual consolidation method laid down in Article 9.	Annual - Table EU LIB - Other qualitative information on the scope of application.
Article 437	**Article 437 Disclosure of own funds**	
Article 437	Institutions shall disclose the following information regarding their own funds:	See below for applicable disclosure requirements.
Article 437(a)	(a) a full reconciliation of Common Equity Tier 1 items, Additional Tier 1 items, Tier 2 items and the filters and deductions applied to own funds of the institution pursuant to Articles 32 to 36, 56, 66 and 79 with the balance sheet in the audited financial statements of the institution;	Semi annual - Template EU CC1 - Composition of regulatory own funds, Semi annual - Template EU CC2 - reconciliation of regulatory own funds to balance sheet in the audited financial statements.
Article 437(b)	(b) a description of the main features of the Common Equity Tier 1 and Additional Tier 1 instruments and Tier 2 instruments issued by the institution;	Annual - Template EU CCA: Main features of regulatory own funds instruments and eligible liabilities instruments.
Article 437(c)	(c) the full terms and conditions of all Common Equity Tier 1, Additional Tier 1 and Tier 2 instruments;	Annual - Template EU CCA: Main features of regulatory own funds instruments and eligible liabilities instruments.
Article 437(d)	(d) a separate disclosure of the nature and amounts of the following:	Semi annual - Template EU CC1 - Composition of regulatory own funds.
Article 437(d)(i)	(i) each prudential filter applied pursuant to Articles 32 to 35;	Semi annual - Template EU CC1 - Composition of regulatory own funds.
Article 437(d)(ii)	(ii) items deducted pursuant to Articles 36, 56 and 66;	Semi annual - Template EU CC1 - Composition of regulatory own funds.
Article 437(d)(iii)	(iii) items not deducted pursuant to Articles 47, 48, 56, 66 and 79;	Semi annual - Template EU CC1 - Composition of regulatory own funds.
Article 437(e)	(e) a description of all restrictions applied to the calculation of own funds in accordance with this Regulation and the instruments, prudential filters and deductions to which those restrictions apply;	Semi annual - Template EU CC1 - Composition of regulatory own funds.
Article 437(f)	(f) a comprehensive explanation of the basis on which capital ratios are calculated where those capital ratios are calculated by using elements of own funds determined on a basis other than the basis laid down in this Regulation.	Semi annual - Template EU CC1 - Composition of regulatory own funds.
Article 437a	Article 437a Disclosure of own funds and eligible liabilities	Not applicable.
Article 437a	Institutions that are subject to Article 92a or 92b shall disclose the following information regarding their own funds and eligible liabilities:	Not applicable.
Article 437a(a)	(a) the composition of their own funds and eligible liabilities, their maturity and their main features;	Not applicable.
Article 437a(b)	(b) the ranking of eligible liabilities in the creditor hierarchy;	Not applicable.
Article 437a(c)	(c) the total amount of each issuance of eligible liabilities instruments referred to in Article 72b and the amount of those issuances that is included in eligible liabilities items within the limits specified in Article 72b(3) and (4);	Not applicable.
Article 437a(d)	(d) the total amount of excluded liabilities referred to in Article 72a(2).	Not applicable.
Article 438	**Article 438 Disclosure of own funds requirements and risk-weighted exposure amounts**	
Article 438	Institutions shall disclose the following information regarding their compliance with Article 92 of this Regulation and with the requirements laid down in Article 73 and in point (a) of Article 104(1) of Directive 2013/36/EU:	See below for applicable disclosure requirements.
Article 438(a)	(a) a summary of their approach to assessing the adequacy of their internal capital to support current and future activities;	Annual - Table EU OVC – ICAAP information.
Article 438(b)	(b) the amount of the additional own funds requirements based on the supervisory review process as referred to in point (a) of Article 104(1) of Directive 2013/36/EU and its composition in terms of Common Equity Tier 1, additional Tier 1 and Tier 2 instruments;	Annual disclosure requirement on Template EU KM1 – Key metrics template.
Article 438(c)	(c) upon demand from the relevant competent authority, the result of the institution's internal capital adequacy assessment process;	Annual - Table EU OVC – ICAAP information.
Article 438(d)	(d) the total risk-weighted exposure amount and the corresponding total own funds requirement determined in accordance with Article 92, to be broken down by the different risk categories set out in Part Three and, where applicable, an explanation of the effect on the calculation of own funds and risk-weighted exposure amounts that results from applying capital floors and not deducting items from own funds;	Quarterly - Template EU OV1 – Overview of total risk exposure amounts. Additional explanation is currently not relevant.
Article 438(e)	(e) the on- and off-balance-sheet exposures, the risk-weighted exposure amounts and associated expected losses for each category of specialised lending referred to in Table 1 of Article 153(5) and the on- and off-balance- sheet exposures and risk-weighted exposure amounts for the categories of equity exposures set out in Article 155(2);	Not applicable. Semi-annual - Template EU CR10 - Specialised lending and equity exposures under the simple risk weighted approach. AIB does not use the simple risk weight approach for specialised lending or equity exposures.
Article 438(f)	(f) the exposure value and the risk-weighted exposure amount of own funds instruments held in any insurance undertaking, reinsurance undertaking or insurance holding company that the institutions do not deduct from their own funds in accordance with Article 49 when calculating their capital requirements on an individual, sub-consolidated and consolidated basis;	Not applicable. Annual Template EU INS1 Insurance participations. AIB has no insurance undertakings.
Article 438(g)	(g) the supplementary own funds requirement and the capital adequacy ratio of the financial conglomerate calculated in accordance with Article 6 of Directive 2002/87/EC and Annex I to that Directive where method 1 or 2 set out in that Annex is applied;	Not applicable. Annual Template EU INS2 Financial conglomerates - Information on own funds and capital adequacy ratio. AIB is not a financial conglomerate.
Article 438(h)	(h) the variations in the risk-weighted exposure amounts of the current disclosure period compared to the immediately preceding disclosure period that result from the use of internal models, including an outline of the key drivers explaining those variations.	Quarterly - Template EU CR8 – RWEA flow statements of credit risk exposures under the IRB approach. Not applicable. Quarterly - Template EU CCR7 – RWEA flow statements of CCR exposures under the IMM. AIB does not use the IMM and instead use SA-CCR for derivatives under counterparty credit risk. Not applicable. Quarterly - Template EU MR2–B - RWEA flow statements of market risk exposures under the IMA. All market risk is treated under standardised approach.
Article 439	**Article 439 Disclosure of exposures to counterparty credit risk**	
Article 439	Institutions shall disclose the following information regarding their exposure to counterparty credit risk as referred to in Chapter 6 of Title II of Part Three:	See below for applicable disclosure requirements.
Article 439(a)	(a) a description of the methodology used to assign internal capital and credit limits for counterparty credit exposures, including the methods to assign those limits to exposures to central counterparties;	Annual - Table EU CCRA – Qualitative disclosure related to CCR.

Article 439(b)	(b) a description of policies related to guarantees and other credit risk mitigants, such as the policies for securing collateral and establishing credit reserves;	Annual - Table EU CCRA – Qualitative disclosure related to CCR.
Article 439(c)	(c) a description of policies with respect to General Wrong-Way risk and Specific Wrong-Way risk as defined in Article 291;	Annual - Table EU CCRA – Qualitative disclosure related to CCR.
Article 439(d)	(d) the amount of collateral the institution would have to provide if its credit rating was downgraded;	Annual - Table EU CCRA – Qualitative disclosure related to CCR.
Article 439(e)	(e) the amount of segregated and unsegregated collateral received and posted per type of collateral, further broken down between collateral used for derivatives and securities financing transactions;	Semi annual - Template EU CCR5 – Composition of collateral for CCR exposures.
Article 439(f)	(f) for derivative transactions, the exposure values before and after the effect of the credit risk mitigation as determined under the methods set out in Sections 3 to 6 of Chapter 6 of Title II of Part Three, whichever method is applicable, and the associated risk exposure amounts broken down by applicable method;	Semi annual - Template EU CCR1 – Analysis of CCR exposure by approach.
Article 439(g)	(g) for securities financing transactions, the exposure values before and after the effect of the credit risk mitigation as determined under the methods set out in Chapters 4 and 6 of Title II of Part Three, whichever method is used, and the associated risk exposure amounts broken down by applicable method;	Semi annual - Template EU CCR1 – Analysis of CCR exposure by approach.
Article 439(h)	(h) the exposure values after credit risk mitigation effects and the associated risk exposures for credit valuation adjustment capital charge, separately for each method as set out in Title VI of Part Three;	Semi annual - Template EU CCR2 – Transactions subject to own funds requirements for CVA risk.
Article 439(i)	(i) the exposure value to central counterparties and the associated risk exposures within the scope of Section 9 of Chapter 6 of Title II of Part Three, separately for qualifying and non-qualifying central counterparties, and broken down by types of exposures;	Semi annual - Template EU CCR8 – Exposures to CCPS.
Article 439(j)	(j) the notional amounts and fair value of credit derivative transactions; credit derivative transactions shall be broken down by product type; within each product type, credit derivative transactions shall be broken down further by credit protection bought and credit protection sold;	Semi annual - Template EU CCR6 – Credit derivatives exposures.
Article 439(k)	(k) the estimate of alpha where the institution has received the permission of the competent authorities to use its own estimate of alpha in accordance with Article 284(9);	Semi annual - Template EU CCR1 – Analysis of CCR exposure by approach.
Article 439(l)	(l) separately, the disclosures included in point (e) of Article 444 and point (g) of Article 452;	Semi annual - Template EU CCR3 – standardised approach - CCR exposures by regulatory exposure class and risk weights, Semi annual - Template EU CCR4 – IRB approach – CCR exposures by exposure class and PD scale.
Article 439(m)	(m) for institutions using the methods set out in Sections 4 to 5 of Chapter 6 of Title II Part Three, the size of their on- and off-balance-sheet derivative business as calculated in accordance with Article 273a(1) or (2), as applicable.	Semi annual - Template EU CCR1 – Analysis of CCR exposure by approach.
Article 439	Where the central bank of a Member State provides liquidity assistance in the form of collateral swap transactions, the competent authority may exempt institutions from the requirements in points (d) and (e) of the first subparagraph where that competent authority considers that the disclosure of the information referred to therein could reveal that emergency liquidity assistance has been provided. For those purposes, the competent authority shall set out appropriate thresholds and objective criteria.	Not applicable. This would impact the following two templates if it were applicable to AIB: Semi annual - Template EU CCR1 – Analysis of CCR exposure by approach. Semi annual - Template EU CCR5 – Composition of collateral for CCR
Article 440	**Article 440 Disclosure of countercyclical capital buffers**	
Article 440	Institutions shall disclose the following information in relation to their compliance with the requirement for a countercyclical capital buffer as referred to in Chapter 4 of Title VII of Directive 2013/36/EU:	See below for applicable disclosure requirements.
Article 440(a)	(a) the geographical distribution of the exposure amounts and risk-weighted exposure amounts of its credit exposures used as a basis for the calculation of their countercyclical capital buffer;	Semi annual - Template EU CCyB1 - Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer.
Article 440(b)	(b) the amount of their institution-specific countercyclical capital buffer.	Semi annual - Template EU CCyB2 - Amount of institution-specific countercyclical capital buffer.
Article 441	**Article 441 Disclosure of indicators of global systemic importance**	Not applicable. AIB is an O-SII.
Article 441	G-SIIs shall disclose, on an annual basis, the values of the indicators used for determining their score in accordance with the identification methodology referred to in Article 131 of Directive 2013/36/EU.	Not applicable. AIB is an O-SII.
Article 442	**Article 442 Disclosure of exposures to credit risk and dilution risk**	
Article 442	Institutions shall disclose the following information regarding their exposures to credit risk and dilution risk:	See below for applicable disclosure requirements.
Article 442(a)	(a) the scope and definitions that they use for accounting purposes of 'past due' and 'impaired' and the differences, if any, between the definitions of 'past due' and 'default' for accounting and regulatory purposes;	Annual - Table EU CRB - Additional disclosure related to the credit quality of assets.
Article 442(b)	(b) a description of the approaches and methods adopted for determining specific and general credit risk adjustments;	Annual - Table EU CRB - Additional disclosure related to the credit quality of assets.
Article 442(c)	(c) information on the amount and quality of performing, non-performing and forborne exposures for loans, debt securities and off-balance-sheet exposures, including their related accumulated impairment, provisions and negative fair value changes due to credit risk and amounts of collateral and financial guarantees received;	Semi annual - Template EU CR1 - Performing and non-performing exposures and related provisions, Annual & threshold - Template EU CR2a - Changes in the stock of non-performing loans and advances and related net accumulated recoveries, Semi annual - Template EU CQ1 - Credit quality of forborne exposures, Annual & threshold - Template EU CQ2 - Quality of forbearance, Annual & threshold based (cols b and d); Semi annual (cols a, c, e, f and g only) - Template EU CQ4 - Quality of non-performing exposures by geography, Annual & threshold based (cols b and d); Semi annual (cols a, c, e and f) - Template EU CQ5 - Credit quality of loans and advances by industry, Annual & threshold - Template EU CQ6 - Collateral valuation - loans and advances, Semi annual - Template EU CQ7 - Collateral obtained by taking possession and execution processes, Annual & threshold - Template EU CQ8 - Collateral obtained by taking possession and execution processes – vintage breakdown.
Article 442(d)	(d) an ageing analysis of accounting past due exposures;	Annual - Template EU CQ3 - Credit quality of performing and non-performing exposures by past due days.

Article 442(e)	(e) the gross carrying amounts of both defaulted and non-defaulted exposures, the accumulated specific and general credit risk adjustments, the accumulated write-offs taken against those exposures and the net carrying amounts and their distribution by geographical area and industry type and for loans, debt securities and off- balance-sheet exposures;	Semi annual - Template EU CR1 - Performing and non-performing exposures and related provisions, Annual & threshold based (cols b and d); Semi annual (cols a, c, e, f and g only) - Template EU CQ4 - Quality of non-performing exposures by geography, Annual & threshold based (cols b and d); Semi annual (cols a, c, e and f) - Template EU CQ5 - Credit quality of loans and advances by industry.
Article 442(f)	(f) any changes in the gross amount of defaulted on- and off-balance-sheet exposures, including, as a minimum, information on the opening and closing balances of those exposures, the gross amount of any of those exposures reverted to non-defaulted status or subject to a write-off;	Semi annual - Template EU CR2 - Changes in the stock of non-performing loans and advances, (Note at year end if publish EU CR2-a, AIB will not publish EU CR2) Annual & threshold - Template EU CR2a - Changes in the stock of non-performing loans and advances and related net accumulated recoveries.
Article 442(g)	(g) the breakdown of loans and debt securities by residual maturity.	Semi annual - Template EU CR1-A - Maturity of exposures.
Article 443	**Article 443 Disclosure of encumbered and unencumbered assets**	
Article 443	Institutions shall disclose information concerning their encumbered and unencumbered assets. For those purposes, institutions shall use the carrying amount per exposure class broken down by asset quality and the total amount of the carrying amount that is encumbered and unencumbered. Disclosure of information on encumbered and unencumbered assets shall not reveal emergency liquidity assistance provided by central banks.	Annual - Template EU AE1 - Encumbered and unencumbered assets, Annual - Template EU AE2 - Collateral received and own debt securities issued, Annual - Template EU AE3 - Sources of encumbrance, Annual - Table EU AE4 - Accompanying narrative information.
Article 444	**Article 444 Disclosure of the use of the Standardised Approach**	
Article 444	Institutions calculating their risk-weighted exposure amounts in accordance with Chapter 2 of Title II of Part Three shall disclose the following information for each of the exposure classes set out in Article 112:	See below for applicable disclosure requirements.
Article 444(a)	(a) the names of the nominated ECAIs and ECAs and the reasons for any changes in those nominations over the disclosure period;	Annual - Table EU CRD – Qualitative disclosure requirements related to standardised model.
Article 444(b)	(b) the exposure classes for which each ECAI or ECA is used;	Annual - Table EU CRD – Qualitative disclosure requirements related to standardised model.
Article 444(c)	(c) a description of the process used to transfer the issuer and issue credit ratings onto items not included in the trading book;	Annual - Table EU CRD – Qualitative disclosure requirements related to standardised model.
Article 444(d)	(d) the association of the external rating of each nominated ECAI or ECA with the risk weights that correspond to the credit quality steps as set out in Chapter 2 of Title II of Part Three, taking into account that it is not necessary to disclose that information where the institutions comply with the standard association published by EBA;	Annual - Table EU CRD – Qualitative disclosure requirements related to standardised model.
Article 444(e)	(e) the exposure values and the exposure values after credit risk mitigation associated with each credit quality step as set out in Chapter 2 of Title II of Part Three, by exposure class, as well as the exposure values deducted from own funds.	Semi annual - Template EU CR4 – standardised approach - Credit risk exposure and CRM effects, Semi annual - Template EU CR5 – standardised approach, Semi annual - Template EU CCR3 – standardised approach - CCR exposures by regulatory exposure class and risk weights.
Article 445	**Article 445 Disclosure of exposure to market risk**	
Article 445	Institutions calculating their own funds requirements in accordance with points (b) and (c) of Article 92(3) shall disclose those requirements separately for each risk referred to in those points. In addition, own funds requirements for the specific interest rate risk of securitisation positions shall be disclosed separately.	Semi annual - Template EU MR1 – Market risk under the standardised approach.
Article 446	**Article 446 Disclosure of operational risk management**	
Article 446	Institutions shall disclose the following information about their operational risk management:	Annual - Table EU ORA - Qualitative information on operational risk, Annual - Template EU OR1 - Operational risk own funds requirements and risk-weighted exposure amounts.
Article 446(a)	(a) the approaches for the assessment of own funds requirements for operation risk that the institution qualifies for;	Annual - Table EU ORA - Qualitative information on operational risk, Annual - Template EU OR1 - Operational risk own funds requirements and risk-weighted exposure amounts.
Article 446(b)	(b) where the institution makes use of it, a description of the methodology set out in Article 312(2), which shall include a discussion of the relevant internal and external factors being considered in the institution's advanced measurement approach;	Not applicable. This would impact the following two tables if it were applicable to AIB: Annual - Table EU ORA - Qualitative information on operational risk, Annual - Template EU OR1 - Operational risk own funds requirements and risk-weighted exposure amounts.
Article 446(c)	(c) in the case of partial use, the scope and coverage of the different methodologies used.	Not applicable. This would impact the following two tables if it were applicable to AIB: Annual - Table EU ORA - Qualitative information on operational risk, Annual - Template EU OR1 - Operational risk own funds requirements and risk-weighted exposure amounts.
Article 447	**Article 447 Disclosure of key metrics**	
Article 447	Institutions shall disclose the following key metrics in a tabular format:	See below for applicable disclosure requirements.
Article 447(a)	(a) the composition of their own funds and their own funds requirements as calculated in accordance with Article 92;	Quarterly - Template EU KM1 – Key metrics template.
Article 447(b)	(b) the total risk exposure amount as calculated in accordance with Article 92(3);	Quarterly - Template EU KM1 – Key metrics template.
Article 447(c)	(c) where applicable, the amount and composition of additional own funds which the institutions are required to hold in accordance with point (a) of Article 104(1) of Directive 2013/36/EU;	Quarterly - Template EU KM1 – Key metrics template.
Article 447(d)	(d) their combined buffer requirement which the institutions are required to hold in accordance with Chapter 4 of Title VII of Directive 2013/36/EU;	Quarterly - Template EU KM1 – Key metrics template.
Article 447(e)	(e) their leverage ratio and the total exposure measure as calculated in accordance with Article 429;	Quarterly - Template EU KM1 – Key metrics template.
Article 447(f)	(f) the following information in relation to their liquidity coverage ratio as calculated in accordance with the delegated act referred to in Article 460(1):	Quarterly - Template EU KM1 – Key metrics template.
Article 447(f)(i)	(i) the average or averages, as applicable, of their liquidity coverage ratio based on end-of-the-month observations over the preceding 12 months for each quarter of the relevant disclosure period;	Quarterly - Template EU KM1 – Key metrics template.
Article 447(f)(ii)	(ii) the average or averages, as applicable, of total liquid assets, after applying the relevant haircuts, included in the liquidity buffer pursuant to the delegated act referred to in Article 460(1), based on end-of-the- month observations over the preceding 12 months for each quarter of the relevant disclosure period;	Quarterly - Template EU KM1 – Key metrics template.
Article 447(f)(iii)	(iii) the averages of their liquidity outflows, inflows and net liquidity outflows as calculated pursuant to the delegated act referred to in Article 460(1), based on end-of-the-month observations over the preceding 12 months for each quarter of the relevant disclosure period;	Quarterly - Template EU KM1 – Key metrics template.
Article 447(g)	(g) the following information in relation to their net stable funding requirement as calculated in accordance with Title IV of Part Six:	Quarterly - Template EU KM1 – Key metrics template.

Article 447(g)(i), II, III	(i) the net stable funding ratio at the end of each quarter of the relevant disclosure period; (ii) the available stable funding at the end of each quarter of the relevant disclosure period; (iii) the required stable funding at the end of each quarter of the relevant disclosure period;	Quarterly - Template EU KM1 – Key metrics template.
Article 447(h)	(h) their own funds and eligible liabilities ratios and their components, numerator and denominator, as calculated in accordance with Articles 92a and 92b and broken down at the level of each resolution group, where applicable.	Not applicable AIB is not a G-SII.
Article 448	**Article 448 Disclosure of exposures to interest rate risk on positions not held in the trading book**	
Article 448(1)	As from 28 June 2021, institutions shall disclose the following quantitative and qualitative information on the risks arising from potential changes in interest rates that affect both the economic value of equity and the net interest income of their non-trading book activities referred to in Article 84 and Article 98(5) of Directive 2013/36/EU:	See below for applicable disclosure requirements.
Article 448(1)(a)	(a) the changes in the economic value of equity calculated under the six supervisory shock scenarios referred to in Article 98(5) of Directive 2013/36/EU for the current and previous disclosure periods;	Semi annual - Non-trading interest rate risk.
Article 448(1)(b)	(b) the changes in the net interest income calculated under the two supervisory shock scenarios referred to in Article 98(5) of Directive 2013/36/EU for the current and previous disclosure periods;	Semi annual - Non-trading interest rate risk.
Article 448(1)(c)	(c) a description of key modelling and parametric assumptions, other than those referred to in points (b) and (c) of Article 98(5a) of Directive 2013/36/EU used to calculate changes in the economic value of equity and in the net interest income required under points (a) and (b) of this paragraph;	Semi annual - Non-trading interest rate risk.
Article 448(1)(d)	(d) an explanation of the significance of the risk measures disclosed under points (a) and (b) of this paragraph and of any significant variations of those risk measures since the previous disclosure reference date;	Semi annual - Non-trading interest rate risk.
Article 448(1)(e)	(e) the description of how institutions define, measure, mitigate and control the interest rate risk of their non- trading book activities for the purposes of the competent authorities' review in accordance with Article 84 of Directive 2013/36/EU, including:	Semi annual - Non-trading interest rate risk.
Article 448(1)(e)(i)	(i) a description of the specific risk measures that the institutions use to evaluate changes in their economic value of equity and in their net interest income;	Semi annual - Non-trading interest rate risk.
Article 448(1)(e)(ii)	(ii) a description of the key modelling and parametric assumptions used in the institutions' internal measurement systems that would differ from the common modelling and parametric assumptions referred to in Article 98(5a) of Directive 2013/36/EU for the purpose of calculating changes to the economic value of equity and to the net interest income, including the rationale for those differences;	Semi annual - Non-trading interest rate risk.
Article 448(1)(e)(iii)	(iii) a description of the interest rate shock scenarios that institutions use to estimate the interest rate risk;	Semi annual - Non-trading interest rate risk.
Article 448(1)(e)(iv)	(iv) the recognition of the effect of hedges against those interest rate risks, including internal hedges that meet the requirements laid down in Article 106(3);	Semi annual - Non-trading interest rate risk.
Article 448(1)(e)(v)	(v) an outline of how often the evaluation of the interest rate risk occurs;	Semi annual - Non-trading interest rate risk.
Article 448(1)(f)	(f) the description of the overall risk management and mitigation strategies for those risks;	Semi annual - Non-trading interest rate risk.
Article 448(1)(g)	(g) average and longest repricing maturity assigned to non-maturity deposits.	Semi annual - Non-trading interest rate risk.
Article 448(2)	By way of derogation from paragraph 1 of this Article, the requirements set out in points (c) and (e)(i) to (e) (iv) of paragraph 1 of this Article shall not apply to institutions that use the standardised methodology or the simplified standardised methodology referred to in Article 84(1) of Directive 2013/36/EU.	
Article 449	**Article 449 Disclosure of exposures to securitisation positions**	
Article 449	Institutions calculating risk-weighted exposure amounts in accordance with Chapter 5 of Title II of Part Three or own funds requirements in accordance with Article 337 or 338 shall disclose the following information separately for their trading book and non-trading book activities:	See below for applicable disclosure requirements.
Article 449(a)	(a) a description of their securitisation and re-securitisation activities, including their risk management and investment objectives in connection with those activities, their role in securitisation and re-securitisation transactions, whether they use the simple, transparent and standardised securitisation (STS) as defined in point (10) of Article 242, and the extent to which they use securitisation transactions to transfer the credit risk of the securitised exposures to third parties with, where applicable, a separate description of their synthetic se- curitisation risk transfer policy;	Annual - Table EU SECA - Qualitative disclosure requirements related to securitisation exposures.
Article 449(b)	(b) the type of risks they are exposed to in their securitisation and re-securitisation activities by level of seniority of the relevant securitisation positions providing a distinction between STS and non-STS positions and:	Annual - Table EU SECA - Qualitative disclosure requirements related to securitisation exposures.
Article 449(b)(i)	(i) the risk retained in own-originated transactions;	Annual - Table EU SECA - Qualitative disclosure requirements related to securitisation exposures.
Article 449(b)(ii)	(ii) the risk incurred in relation to transactions originated by third parties;	Annual - Table EU SECA - Qualitative disclosure requirements related to securitisation exposures.
Article 449(c)	(c) their approaches for calculating the risk-weighted exposure amounts that they apply to their securitisation activities, including the types of securitisation positions to which each approach applies and with a distinction between STS and non-STS positions;	Annual - Table EU SECA - Qualitative disclosure requirements related to securitisation exposures.
Article 449(d)	(d) a list of SSPEs falling into any of the following categories, with a description of their types of exposures to those SSPEs, including derivative contracts:	Annual - Table EU SECA - Qualitative disclosure requirements related to securitisation exposures.
Article 449(d)(i)	(i) SSPEs which acquire exposures originated by the institutions;	Annual - Table EU SECA - Qualitative disclosure requirements related to securitisation exposures.
Article 449(d)(ii)	(ii) SSPEs sponsored by the institutions;	Annual - Table EU SECA - Qualitative disclosure requirements related to securitisation exposures.
Article 449(d)(iii)	(iii) SSPEs and other legal entities for which the institutions provide securitisation-related services, such as advisory, asset servicing or management services;	Annual - Table EU SECA - Qualitative disclosure requirements related to securitisation exposures.
Article 449(d)(iv)	(iv) SSPEs included in the institutions' regulatory scope of consolidation;	Annual - Table EU SECA - Qualitative disclosure requirements related to securitisation exposures.
Article 449(e)	(e) a list of any legal entities in relation to which the institutions have disclosed that they have provided support in accordance with Chapter 5 of Title II of Part Three;	Annual - Table EU SECA - Qualitative disclosure requirements related to securitisation exposures.
Article 449(f)	(f) a list of legal entities affiliated with the institutions and that invest in securitisations originated by the institutions or in securitisation positions issued by SSPEs sponsored by the institutions;	Annual - Table EU SECA - Qualitative disclosure requirements related to securitisation exposures.
Article 449(g)	(g) a summary of their accounting policies for securitisation activity, including where relevant a distinction between securitisation and re-securitisation positions;	Annual - Table EU SECA - Qualitative disclosure requirements related to securitisation exposures.

Article 449(h)	(h) the names of the ECAIs used for securitisations and the types of exposure for which each agency is used;	Annual - Table EU SECA - Qualitative disclosure requirements related to securitisation exposures.
Article 449(i)	(i) where applicable, a description of the Internal Assessment Approach as set out in Chapter 5 of Title II of Part Three, including the structure of the internal assessment process and the relation between internal assessment and external ratings of the relevant ECAI disclosed in accordance with point (h), the control mechanisms for the internal assessment process including discussion of independence, accountability, and internal assessment process review, the exposure types to which the internal assessment process is applied and the stress factors used for determining credit enhancement levels;	Annual - Table EU SECA - Qualitative disclosure requirements related to securitisation exposures.
Article 449(j)	(j) separately for the trading book and the non-trading book, the carrying amount of securitisation exposures, including information on whether institutions have transferred significant credit risk in accordance with Articles 244 and 245, for which institutions act as originator, sponsor or investor, separately for traditional and synthetic securitisations, and for STS and non-STS transactions and broken down by type of securitisation exposures;	Semi annual - Template EU SEC1 - Securitisation exposures in the non-trading book. Not Applicable. Semi-annual - Template EU SEC2 Securitisation exposures in the trading book. AIB does not have securitised exposures in the trading book.
Article 449(k)	(k) for the non-trading book activities, the following information:	See below for applicable disclosure requirements.
Article 449(k)(i)	(i) the aggregate amount of securitisation positions where institutions act as originator or sponsor and the associated risk-weighted assets and capital requirements by regulatory approaches, including exposures deducted from own funds or risk weighted at 1 250 %, broken down between traditional and synthetic securitisations and between securitisation and re-securitisation exposures, separately for STS and non-STS positions, and further broken down into a meaningful number of risk-weight or capital requirement bands and by approach used to calculate the capital requirements;	This paragraph requires the following template to be disclosed: Template EU SEC3 - Securitisation exposures in the non-trading book and associated regulatory capital requirements - institution acting as originator or as sponsor Not applicable. AIB does not act as originator or as sponsor.
Article 449(k)(ii)	(ii) the aggregate amount of securitisation positions where institutions act as investor and the associated risk- weighted assets and capital requirements by regulatory approaches, including exposures deducted from own funds or risk weighted at 1 250 %, broken down between traditional and synthetic securitisations, se- curitisation and re-securitisation positions, and STS and non-STS positions, and further broken down into a meaningful number of risk weight or capital requirement bands and by approach used to calculate the capital requirements;	Semi annual - Template EU SEC4 - Securitisation exposures in the non-trading book and associated regulatory capital requirements - institution acting as investor.
Article 449(l)	(l) for exposures securitised by the institution, the amount of exposures in default and the amount of the specific credit risk adjustments made by the institution during the current period, both broken down by exposure type.	This paragraph requires the following template to be disclosed: Template EU SEC5 - Exposures securitised by the institution - Exposures in default and specific credit risk adjustments Not applicable. AIB does not have exposures securitised that are in default or have specific credit risk adjustments.
Article 449a	**Article 449a Disclosure of environmental, social and governance risks (ESG risks)**	
Article 449a	From 28 June 2022, large institutions which have issued securities that are admitted to trading on a regulated market of any Member State, as defined in point (21) of Article 4(1) of Directive 2014/65/EU, shall disclose information on ESG risks, including physical risks and transition risks, as defined in the report referred to in Article 98(8) of Directive 2013/36/EU. The information referred to in the first paragraph shall be disclosed on an annual basis for the first year and biannually thereafter.	Not a requirement until 28 June 2022
Article 450	**Article 450 Disclosure of remuneration policy**	
Article 450(1)	Institutions shall disclose the following information regarding their remuneration policy and practices for those categories of staff whose professional activities have a material impact on the risk profile of the institutions:	See below for applicable disclosure requirements.
Article 450(1)(a)	(a) information concerning the decision-making process used for determining the remuneration policy, as well as the number of meetings held by the main body overseeing remuneration during the financial year, including, where applicable, information about the composition and the mandate of a remuneration committee, the external consultant whose services have been used for the determination of the remuneration policy and the role of the relevant stakeholders;	Annual - Table EU REMA - Remuneration policy.
Article 450(1)(b)	(b) information about the link between pay of the staff and their performance;	Annual - Table EU REMA - Remuneration policy.
Article 450(1)(c)	(c) the most important design characteristics of the remuneration system, including information on the criteria used for performance measurement and risk adjustment, deferral policy and vesting criteria;	Annual - Table EU REMA - Remuneration policy.
Article 450(1)(d)	(d) the ratios between fixed and variable remuneration set in accordance with point (g) of Article 94(1) of Directive 2013/36/EU;	Annual - Table EU REMA - Remuneration policy.
Article 450(1)(e)	(e) information on the performance criteria on which the entitlement to shares, options or variable components of remuneration is based;	Annual - Table EU REMA - Remuneration policy.
Article 450(1)(f)	(f) the main parameters and rationale for any variable component scheme and any other non-cash benefits;	Annual - Table EU REMA - Remuneration policy.
Article 450(1)(g)	(g) aggregate quantitative information on remuneration, broken down by business area;	Annual - Template EU REM5 - Information on remuneration of staff whose professional activities have a material impact on institutions' risk profile (identified staff).
Article 450(1)(h)	(h) aggregate quantitative information on remuneration, broken down by senior management and members of staff whose professional activities have a material impact on the risk profile of the institutions, indicating the following:	See below for applicable disclosure requirements.
Article 450(1)(h)(i)	(i) the amounts of remuneration awarded for the financial year, split into fixed remuneration including a description of the fixed components, and variable remuneration, and the number of beneficiaries;	Annual - Template EU REM1 - Remuneration awarded for the financial year.
Article 450(1)(h)(ii)	(ii) the amounts and forms of awarded variable remuneration, split into cash, shares, share-linked instruments and other types separately for the part paid upfront and the deferred part;	Annual - Template EU REM1 - Remuneration awarded for the financial year.
Article 450(1)(h)(iii)	(iii) the amounts of deferred remuneration awarded for previous performance periods, split into the amount due to vest in the financial year and the amount due to vest in subsequent years;	Annual - Template EU REM3 - Deferred remuneration.
Article 450(1)(h)(iv)	(iv) the amount of deferred remuneration due to vest in the financial year that is paid out during the financial year, and that is reduced through performance adjustments;	Annual - Template EU REM3 - Deferred remuneration.
Article 450(1)(h)(v)	(v) the guaranteed variable remuneration awards during the financial year, and the number of beneficiaries of those awards;	Annual - Template EU REM2 - Special payments to staff whose professional activities have a material impact on institutions' risk profile (identified staff).
Article 450(1)(h)(vi)	(vi) the severance payments awarded in previous periods, that have been paid out during the financial year;	Annual - Template EU REM2 - Special payments to staff whose professional activities have a material impact on institutions' risk profile (identified staff).

Article 450(1)(h)(vii)	(vii) the amounts of severance payments awarded during the financial year, split into paid upfront and deferred, the number of beneficiaries of those payments and highest payment that has been awarded to a single person;	Annual - Template EU REM2 - Special payments to staff whose professional activities have a material impact on institutions' risk profile (identified staff).
Article 450(1)(i)	(i) the number of individuals that have been remunerated EUR 1 million or more per financial year, with the remuneration between EUR 1 million and EUR 5 million broken down into pay bands of EUR 500 000 and with the remuneration of EUR 5 million and above broken down into pay bands of EUR 1 million;	Annual - Template EU REM4 - Remuneration of 1 million EUR or more per year.
Article 450(1)(j)	(j) upon demand from the relevant Member State or competent authority, the total remuneration for each member of the management body or senior management;	Annual - Not applicable. AIB will disclose relevant information on request.
Article 450(1)(k)	(k) information on whether the institution benefits from a derogation laid down in Article 94(3) of Directive 2013/36/EU. For the purposes of point (k) of the first subparagraph of this paragraph, institutions that benefit from such a derogation shall indicate whether they benefit from that derogation on the basis of point (a) or (b) of Article 94(3) of Directive 2013/36/EU. They shall also indicate for which of the remuneration principles they apply the derogation(s), the number of staff members that benefit from the derogation(s) and their total remuneration, split into fixed and variable remuneration.	Annual - Table EU REMA - Remuneration policy.
Article 450(2)	For large institutions, the quantitative information on the remuneration of institutions' collective management body referred to in this Article shall also be made available to the public, differentiating between executive and non-executive members. Institutions shall comply with the requirements set out in this Article in a manner that is appropriate to their size, internal organisation and the nature, scope and complexity of their activities and without prejudice to Regulation (EU) 2016/679 of the European Parliament and of the Council (*).	Annual - Table EU REMA - Remuneration policy.
Article 451	**Article 451 Disclosure of the leverage ratio**	
Article 451(1)	Institutions that are subject to Part Seven shall disclose the following information regarding their leverage ratio as calculated in accordance with Article 429 and their management of the risk of excessive leverage:	See below for applicable disclosure requirements.
Article 451(1) (a)	(a) the leverage ratio and how the institutions apply Article 499(2);	Annual (for rows 28 to 31a), Semi annual (for rows up to row 28) - Template EU LR2 - LRCom: Leverage ratio common disclosure.
Article 451(1)(b)	(b) a breakdown of the total exposure measure referred to in Article 429(4), as well as a reconciliation of the total exposure measure with the relevant information disclosed in published financial statements;	Semi annual - Template EU LR1 - LRSum: Summary reconciliation of accounting assets and leverage ratio exposures, Annual(for rows 28 to 31a), Semi annual (for rows up to row 28) - Template EU LR2 - LRCom: Leverage ratio common disclosure, Semi annual - Template EU LR3 - LRSpl: Split-up of on balance sheet exposures (excluding derivatives, SFTs and exempted exposures).
Article 451(1)(c)	(c) where applicable, the amount of exposures calculated in accordance with Articles 429(8) and 429a(1) and the adjusted leverage ratio calculated in accordance with Article 429a(7);	Annual (for rows 28 to 31a), Semi annual (for rows up to row 28) - Template EU LR2 - LRCom: Leverage ratio common disclosure.
Article 451(1)(d)	(d) a description of the processes used to manage the risk of excessive leverage;	Annual - Table EU LRA: Free format text boxes for disclosure on qualitative items.
Article 451(1)(e)	(e) a description of the factors that had an impact on the leverage ratio during the period to which the disclosed leverage ratio refers.	Annual - Table EU LRA: Free format text boxes for disclosure on qualitative items.
Article 451(2)	Public development credit institutions as defined in Article 429a(2) shall disclose the leverage ratio without the adjustment to the total exposure measure determined in accordance with point (d) of the first subparagraph of Article 429a(1).	Not applicable. This would impact the following table if it were applicable to AIB: Template EU LR2 - LRCom: Leverage ratio common disclosure.
Article 451(3)	In addition to points (a) and (b) of paragraph 1 of this Article, large institutions shall disclose the leverage ratio and the breakdown of the total exposure measure referred to in Article 429(4) based on averages calculated in accordance with the implementing act referred to in Article 430(7).	Annual (for rows 28 to 31a), Semi annual (for rows up to row 28) - Template EU LR2 - LRCom: Leverage ratio common disclosure.
Article 451a	**Article 451a Disclosure of liquidity requirements**	
Article 451a(1)	Institutions that are subject to Part Six shall disclose information on their liquidity coverage ratio, net stable funding ratio and liquidity risk management in accordance with this Article.	See below for applicable disclosure requirements.
Article 451a(2)	Institutions shall disclose the following information in relation to their liquidity coverage ratio as calculated in accordance with the delegated act referred to in Article 460(1):	Quarterly - Template EU LIQ1 - Quantitative information of LCR, Quarterly - Table EU LIQB on qualitative information on LCR, which complements template EU LIQ1.
Article 451a(2) point (a)	(a) the average or averages, as applicable, of their liquidity coverage ratio based on end-of-the-month observations over the preceding 12 months for each quarter of the relevant disclosure period;	Quarterly - Template EU LIQ1 - Quantitative information of LCR, Quarterly - Table EU LIQB on qualitative information on LCR, which complements template EU LIQ1.
Article 451a(2) point (b)	(b) the average or averages, as applicable, of total liquid assets, after applying the relevant haircuts, included in the liquidity buffer pursuant to the delegated act referred to in Article 460(1), based on end-of-the-month observations over the preceding 12 months for each quarter of the relevant disclosure period, and a description of the composition of that liquidity buffer;	Quarterly - Template EU LIQ1 - Quantitative information of LCR, Quarterly - Table EU LIQB on qualitative information on LCR, which complements template EU LIQ1.
Article 451a(2) point (c)	(c) the averages of their liquidity outflows, inflows and net liquidity outflows as calculated in accordance with the delegated act referred to in Article 460(1), based on end-of-the-month observations over the preceding 12 months for each quarter of the relevant disclosure period and the description of their composition.	Quarterly - Template EU LIQ1 - Quantitative information of LCR, Quarterly - Table EU LIQB on qualitative information on LCR, which complements template EU LIQ1.
Article 451a(3)	Institutions shall disclose the following information in relation to their net stable funding ratio as calculated in accordance with Title IV of Part Six:	Semi annual - Template EU LIQ2 - Net Stable Funding Ratio.
Article 451a(3)(a)	(a) quarter-end figures of their net stable funding ratio calculated in accordance with Chapter 2 of Title IV of Part Six for each quarter of the relevant disclosure period;	Semi annual - Template EU LIQ2 - Net Stable Funding Ratio.
Article 451a(3)(b)	(b) an overview of the amount of available stable funding calculated in accordance with Chapter 3 of Title IV of Part Six;	Semi annual - Template EU LIQ2 - Net Stable Funding Ratio.
Article 451a(3)(c)	(c) an overview of the amount of required stable funding calculated in accordance with Chapter 4 of Title IV of Part Six.	Semi annual - Template EU LIQ2 - Net Stable Funding Ratio.
Article 451a(4)	Institutions shall disclose the arrangements, systems, processes and strategies put in place to identify, measure, manage and monitor their liquidity risk in accordance with Article 86 of Directive 2013/36/EU.	Annual - Table EU LIQA - Liquidity risk management .
	TITLE III QUALIFYING REQUIREMENTS FOR THE USE OF PARTICULAR INSTRUMENTS OR METHODOLOGIES	
Article 452	**Article 452 Disclosure of the use of the IRB Approach to credit risk**	
Article 452	Institutions calculating the risk-weighted exposure amounts under the IRB Approach to credit risk shall disclose the following information:	See below for applicable disclosure requirements.
Article 452(a)	(a) the competent authority's permission of the approach or approved transition;	Annual - Table EU CRE – Qualitative disclosure requirements related to IRB approach.

Article 452(b)	(b) for each exposure class referred to in Article 147, the percentage of the total exposure value of each exposure class subject to the Standardised Approach laid down in Chapter 2 of Title II of Part Three or to the IRB Approach laid down in Chapter 3 of Title II of Part Three, as well as the part of each exposure class subject to a roll-out plan; where institutions have received permission to use own LGDs and conversion factors for the calculation of risk-weighted exposure amounts, they shall disclose separately the percentage of the total exposure value of each exposure class subject to that permission;	Annual - Table EU CRE – Qualitative disclosure requirements related to IRB approach, Annual - Template EU CR6-A – Scope of the use of IRB and SA approaches.
Article 452(c)	(c) the control mechanisms for rating systems at the different stages of model development, controls and changes, which shall include information on:	Annual - Table EU CRE – Qualitative disclosure requirements related to IRB approach.
Article 452(c)(i)	(i) the relationship between the risk management function and the internal audit function;	Annual - Table EU CRE – Qualitative disclosure requirements related to IRB approach.
Article 452(c)(ii)	(ii) the rating system review;	Annual - Table EU CRE – Qualitative disclosure requirements related to IRB approach.
Article 452(c)(iii)	(iii) the procedure to ensure the independence of the function in charge of reviewing the models from the functions responsible for the development of the models;	Annual - Table EU CRE – Qualitative disclosure requirements related to IRB approach.
Article 452(c)(iv)	(iv) the procedure to ensure the accountability of the functions in charge of developing and reviewing the models;	Annual - Table EU CRE – Qualitative disclosure requirements related to IRB approach.
Article 452(d)	(d) the role of the functions involved in the development, approval and subsequent changes of the credit risk models;	Annual - Table EU CRE – Qualitative disclosure requirements related to IRB approach.
Article 452(e)	(e) the scope and main content of the reporting related to credit risk models;	Annual - Table EU CRE – Qualitative disclosure requirements related to IRB approach.
Article 452(f)	(f) a description of the internal ratings process by exposure class, including the number of key models used with respect to each portfolio and a brief discussion of the main differences between the models within the same portfolio, covering:	Annual - Table EU CRE – Qualitative disclosure requirements related to IRB approach.
Article 452(f)(i)	(i) the definitions, methods and data for estimation and validation of PD, which shall include information on how PDs are estimated for low default portfolios, whether there are regulatory floors and the drivers for differences observed between PD and actual default rates at least for the last three periods;	Annual - Table EU CRE – Qualitative disclosure requirements related to IRB approach.
Article 452(f)(ii)	(ii) where applicable, the definitions, methods and data for estimation and validation of LGD, such as methods to calculate downturn LGD, how LGDs are estimated for low default portfolio and the time lapse between the default event and the closure of the exposure;	Annual - Table EU CRE – Qualitative disclosure requirements related to IRB approach.
Article 452(f)(iii)	(iii) where applicable, the definitions, methods and data for estimation and validation of conversion factors, including assumptions employed in the derivation of those variables;	Annual - Table EU CRE – Qualitative disclosure requirements related to IRB approach.
Article 452(g)	(g) as applicable, the following information in relation to each exposure class referred to in Article 147:	Semi annual - Template EU CR6 - IRB approach - Credit risk exposures by exposure class and PD range.
Article 452(g)(i)	(i) their gross on-balance-sheet exposure;	Semi annual - Template EU CR6 - IRB approach - Credit risk exposures by exposure class and PD range.
Article 452(g)(ii)	(ii) their off-balance-sheet exposure values prior to the relevant conversion factor;	Semi annual - Template EU CR6 - IRB approach - Credit risk exposures by exposure class and PD range.
Article 452(g)(iii)	(iii) their exposure after applying the relevant conversion factor and credit risk mitigation;	Semi annual - Template EU CR6 - IRB approach - Credit risk exposures by exposure class and PD range.
Article 452(g)(iv)	(iv) any model, parameter or input relevant for the understanding of the risk weighting and the resulting risk exposure amounts disclosed across a sufficient number of obligor grades (including default) to allow for a meaningful differentiation of credit risk;	Semi annual - Template EU CR6 - IRB approach - Credit risk exposures by exposure class and PD range.
Article 452(g)(v)	(v) separately for those exposure classes in relation to which institutions have received permission to use own LGDs and conversion factors for the calculation of risk-weighted exposure amounts, and for exposures for which the institutions do not use such estimates, the values referred to in points (i) to (iv) subject to that permission;	Semi annual - Template EU CR6 - IRB approach - Credit risk exposures by exposure class and PD range.
Article 452(h)	(h) institutions' estimates of PDs against the actual default rate for each exposure class over a longer period, with separate disclosure of the PD range, the external rating equivalent, the weighted average and arithmetic average PD, the number of obligors at the end of the previous year and of the year under review, the number of defaulted obligors, including the new defaulted obligors, and the annual average historical default rate.	Annual - Template EU CR9 – IRB approach – Backtesting of PD per exposure class (fixed PD scale).
Article 452(h)	For the purposes of point (b) of this Article, institutions shall use the exposure value as defined in Article 166.	Annual - Template EU CR9 – IRB approach – Backtesting of PD per exposure class (fixed PD scale).
Article 453	**Article 453 Disclosure of the use of credit risk mitigation techniques**	
Article 453	Institutions using credit risk mitigation techniques shall disclose the following information:	See below for applicable disclosure requirements.
Article 453(a)	(a) the core features of the policies and processes for on- and off-balance-sheet netting and an indication of the extent to which institutions make use of balance sheet netting;	Annual - Table EU CRC – Qualitative disclosure requirements related to CRM techniques.
Article 453(b)	(b) the core features of the policies and processes for eligible collateral evaluation and management;	Annual - Table EU CRC – Qualitative disclosure requirements related to CRM techniques.
Article 453(c)	(c) a description of the main types of collateral taken by the institution to mitigate credit risk;	Annual - Table EU CRC – Qualitative disclosure requirements related to CRM techniques.
Article 453(d)	(d) for guarantees and credit derivatives used as credit protection, the main types of guarantor and credit derivative counterparty and their creditworthiness used for the purpose of reducing capital requirements, excluding those used as part of synthetic securitisation structures;	Annual - Table EU CRC – Qualitative disclosure requirements related to CRM techniques.
Article 453(e)	(e) information about market or credit risk concentrations within the credit risk mitigation taken;	Annual - Table EU CRC – Qualitative disclosure requirements related to CRM techniques.
Article 453(f)	(f) for institutions calculating risk-weighted exposure amounts under the Standardised Approach or the IRB Approach, the total exposure value not covered by any eligible credit protection and the total exposure value covered by eligible credit protection after applying volatility adjustments; the disclosure set out in this point shall be made separately for loans and debt securities and including a breakdown of defaulted exposures;	Semi annual - Template EU CR3 - CRM techniques overview: Disclosure of the use of credit risk mitigation techniques.
Article 453(g)	(g) the corresponding conversion factor and the credit risk mitigation associated with the exposure and the incidence of credit risk mitigation techniques with and without substitution effect;	Semi annual - Template EU CR4 – standardised approach - Credit risk exposure and CRM effects, Semi annual - Template EU CR7-A – IRB approach – Disclosure of the extent of the use of CRM techniques.
Article 453(h)	(h) for institutions calculating risk-weighted exposure amounts under the Standardised Approach, the on- and off-balance-sheet exposure value by exposure class before and after the application of conversion factors and any associated credit risk mitigation;	Semi annual - Template EU CR4 – standardised approach - Credit risk exposure and CRM effects.

Article 453(i)	(i) for institutions calculating risk-weighted exposure amounts under the Standardised Approach, the risk- weighted exposure amount and the ratio between that risk-weighted exposure amount and the exposure value after applying the corresponding conversion factor and the credit risk mitigation associated with the exposure; the disclosure set out in this point shall be made separately for each exposure class;	Semi annual - Template EU CR4 – standardised approach - Credit risk exposure and CRM effects.
Article 453(j)	(j) for institutions calculating risk-weighted exposure amounts under the IRB Approach, the risk-weighted exposure amount before and after recognition of the credit risk mitigation impact of credit derivatives; where institutions have received permission to use own LGDs and conversion factors for the calculation of risk- weighted exposure amounts, they shall make the disclosure set out in this point separately for the exposure classes subject to that permission.	Semi annual - Template EU CR7 – IRB approach – Effect on the RWEAs of credit derivatives used as CRM techniques.
Article 454	**Article 454 Disclosure of the use of the Advanced Measurement Approaches to operational risk**	
Article 454	The institutions using the Advanced Measurement Approaches set out in Articles 321 to 324 for the calculation of their own funds requirements for operational risk shall disclose a description of their use of insurance and other risk-transfer mechanisms for the purpose of mitigating that risk.	Annual - Table EU ORA - Qualitative information on operational risk, Annual - Template EU OR1 - Operational risk own funds requirements and risk-weighted exposure amounts.
Article 455	**Article 455 Use of internal market risk models**	Not applicable. All market risk is treated under standardised approach.
Article 455	Institutions calculating their capital requirements in accordance with Article 363 shall disclose the following information:	Not applicable. All market risk is treated under standardised approach.
Article 455(a)	(a) for each sub-portfolio covered:	Not Applicable. Annual Template EU MRB Qualitative disclosure requirements for institutions using the internal Market Risk Models. All market risk is treated under standardised approach
Article 455(a)(i)	(i) the characteristics of the models used;	Not applicable. All market risk is treated under standardised approach.
Article 455(a)(ii)	(ii) where applicable, for the internal models for incremental default and migration risk and for correlation trading, the methodologies used and the risks measured through the use of an internal model including a description of the approach used by the institution to determine liquidity horizons, the methodologies used to achieve a capital assessment that is consistent with the required soundness standard and the approaches used in the validation of the model;	Not applicable. All market risk is treated under standardised approach.
Article 455(a)(iii)	(iii) a description of stress testing applied to the sub-portfolio;	Not applicable. All market risk is treated under standardised approach.
Article 455(a)(iv)	(iv) a description of the approaches used for back-testing and validating the accuracy and consistency of the internal models and modelling processes;	Not applicable. All market risk is treated under standardised approach.
Article 455(b)	(b) the scope of permission by the competent authority;	Not Applicable. Annual Template EU MRB Qualitative disclosure requirements for institutions using the internal Market Risk Models. All market risk is treated under standardised approach
Article 455(c)	(c) a description of the extent and methodologies for compliance with the requirements set out in Articles 104 and 105;	Not Applicable. Annual Template EU MRB Qualitative disclosure requirements for institutions using the internal Market Risk Models. All market risk is treated under standardised approach
Article 455(d)	(d) the highest, the lowest and the mean of the following:	Not applicable. Semi annual - Template EU MR3 IMA values for trading portfolios. All market risk is treated under standardised approach.
Article 455(d)(i)	(i) the daily value-at-risk measures over the reporting period and at the end of the reporting period;	Not applicable. All market risk is treated under standardised approach.
Article 455(d)(ii)	(ii) the stressed value-at-risk measures over the reporting period and at the end of the reporting period;	Not applicable. All market risk is treated under standardised approach.
Article 455(d)(iii)	(iii) the risk numbers for incremental default and migration risk and for the specific risk of the correlation trading portfolio over the reporting period and at the end of the reporting period;	Not applicable. All market risk is treated under standardised approach.
Article 455(e)	(e) the elements of the own funds requirement as specified in Article 364;	Not applicable. Semi annual - Template EU MR2–A Market risk under the Internal Model Approach (IMA). All market risk is treated under standardised approach.
Article 455(f)	(f) the weighted average liquidity horizon for each sub-portfolio covered by the internal models for incremental default and migration risk and for correlation trading;	Not Applicable. Annual Template EU MRB Qualitative disclosure requirements for institutions using the internal Market Risk Models. All market risk is treated under standardised approach
Article 455(g)	(g) a comparison of the daily end-of-day value-at-risk measures to the one-day changes of the portfolio's value by the end of the subsequent business day together with an analysis of any important overshooting during the reporting period.	Not applicable. Semi annual - Template EU MR4 Comparison of VaR estimates with gains/losses. All market risk is treated under standardised approach.
CRR 468	**Temporary treatment of unrealised gains and losses measured at fair value through other comprehensive income in view of the COVID-19 pandemic**	Quarterly - Table IFRS 9/Article 468-FL: Comparison of institutions' own funds and capital and leverage ratios with and without the application of transitional arrangements for IFRS 9 or analogous ECLs, and with and without the application of the temporary treatment in accordance with Article 468 of the CRR.
CRR 473		
CRR 473a (8)	**Introduction to IFRS 9**	Quarterly - Table IFRS 9/Article 468-FL: Comparison of institutions' own funds and capital and leverage ratios with and without the application of transitional arrangements for IFRS 9 or analogous ECLs, and with and without the application of the temporary treatment in accordance with Article 468 of the CRR.
CRR 500	**Adjustment for massive disposals**	
CRR 500b (2)	Temporary exclusion of certain exposures to central banks from the total exposure measure in view of the COVID-19 pandemic	AIB does not exclude exposures to its central bank from its total exposure measure in Leverage ratio.

Appendix 1 Own funds

Summary information on the main components of own funds, and their terms and conditions as applicable, is set out below. Further information relating to the terms and conditions is published separately at http://aib.ie/investorrelations.

Common equity tier 1

Common equity tier 1 ("CET1") comprises shareholders' equity adjusted as appropriate in accordance with the provisions of the CRD.

Shareholders' equity

The principal components of shareholders' equity are set out below:

Share capital/share premium

Ordinary share capital comprising shares of the parent company represent funds raised by issuing shares in return for cash or other consideration. When shares are issued at a premium whether for cash or otherwise, the excess of the amount received over the par value of the shares is transferred to share premium.

Other capital reserves

Other capital reserves represent transfers from retained earnings in accordance with relevant legislation.

Capital contributions

Capital contributions represent the receipt of non-refundable consideration arising from transactions with the Irish Government. These contributions comprise both financial and non-financial net assets. The contributions are classified as equity and may be either distributable or non-distributable. Capital contributions are distributable if the assets received are in the form of cash or another asset that is readily convertible to cash, otherwise, they are treated as non-distributable. Capital contributions arose during 2011 from (a) EBS transaction; (b) Anglo transaction; (c) issue of contingent capital notes; and (d) non-refundable receipts from the Irish Government.

The capital contribution from the EBS transaction is treated as non-distributable as the related net assets received were largely noncash in nature.

In the case of the Anglo transaction, the excess of the assets over the liabilities comprised of NAMA senior bonds. On initial recognition, this excess was accounted for as a non-distributable capital contribution. However, according as NAMA repaid these bonds, the proceeds received were deemed to be distributable and the relevant amount was transferred from the capital contribution account to revenue reserves. All NAMA senior bonds were fully repaid at 31 December 2017.

Non-refundable capital contributions amounting to € 6,054m received from the Irish Government in 2011 are considered distributable. These are included in revenue reserves.

Revaluation reserves

Revaluation reserves represent the unrealised surplus, net of tax, which arose on revaluation of properties prior to the implementation of IFRS at 1 January 2004.

Investment securities reserves

Investment securities reserves represent the net unrealised gains and losses, net of tax, arising from the recognition in the statement of financial position of investment securities at fair value through other comprehensive income ("FVOCI").

Cash flow hedging reserves

Cash flow hedging reserves represent the gains and losses, net of tax, on effective cash flow hedging instruments that will be reclassified to the income statement when the hedged transaction affects profit or loss. These reserves are not allowable for capital adequacy purposes.

Dividends and distributions

Dividends on ordinary shares are recognised in equity in the period in which they are approved by the Company's shareholders, or in the case of an interim dividend when they become irrevocable having already been approved for payment by the Board of Directors.

An interim dividend may be cancelled at any time prior to the actual payment. Proposed dividends and foreseeable charges are deducted from Common Equity Tier 1 capital in accordance with Article 26(2) of the Capital Requirements Regulations.

Revenue reserves

Revenue reserves represent retained earnings of the parent company, subsidiaries and associated undertakings together with amounts transferred from issued share capital, share premium and capital redemption reserves following Irish High Court approval. They also include amounts arising from the capital reduction which followed the 'Scheme of Arrangement' undertaken by the Group in December 2017.

The cumulative surplus/deficit within the defined benefit pension schemes and other appropriate adjustments are included in/offset revenue reserves.

Foreign currency translation reserves

Foreign currency translation reserves represent the cumulative gains and losses on the retranslation of the Group's net investment in foreign operations, at the rate of exchange at the year end reporting date net of the cumulative gain or loss on instruments designated as net investment hedges.

Merger reserve

Under the Scheme of Arrangement ('the Scheme') approved by the High Court on 6 December 2017 which became effective on 8 December 2017, a new company, AIB Group plc ('the Company'), was introduced as the holding company of AIB Group. AIB Group plc is a public limited company registered in Ireland. The share capital of Allied Irish Banks, p.l.c., other than a single share owned by AIB Group plc, was cancelled and an equal number of new shares were issued by the Company to the shareholders of Allied Irish Banks, p.l.c. The difference between the carrying value of the net assets of Allied Irish Banks, p.l.c. entity on acquisition by the Company and the nominal value of the shares issued on implementation of the Scheme was accounted for as a merger reserve. Impairment losses arising from AIB Group plc's investment in Allied Irish Banks, p.l.c. will be charged to the profit or loss account and transferred to the merger reserve in so far as a credit balance remains in the merger reserve.

In the consolidated financial statements of AIB Group plc, the transaction was accounted for under merger accounting. Accordingly, the carrying value of the investment in Allied Irish Banks, p.l.c. by AIB Group plc is eliminated against the share capital and share premium account in Allied Irish Banks, p.l.c. and the merger reserve in AIB Group plc resulting in a negative merger reserve.

Regulatory adjustments to shareholders' equity

The following deductions have been made in accordance with CRD in computing regulatory capital:

– Intangibles - deducted from capital with the exception of prudently valued software assets In accordance with Commission Delegated Regulation (EU) 2020/2176;

– Cash flow hedging reserves - not included in capital;

– Pension reserves in surplus - deduct from capital the total pension reserves of schemes in surplus;

– Pension deficit - 100% of the pension deficit is deducted from CET1 as per CRD;

– Deferred tax assets that rely on future profitability - deducted from capital at 10% per annum, which commenced in 2015. Therefore, 70% is deducted from capital in 2021;

– Excess of expected loss over IRB provisions - deducted from capital; and

– IFRS 9 - The Group applies the transitional arrangements for mitigating the impact of the introduction of IFRS 9 on own funds as per Regulation (EU) 2017/2395 of the European Parliament and of the Council. The phase in rate at 31 December 2021 was 30% (2019: 15%). The Group also applies the new transitional arrangements as per Regulation (EU) 2020/873 of the European Parliament and of the Council which allows any increase in new expected credit loss provisions in 2020 and 2021, on non-credit impaired loans to be fully added back to CET1 in 2021.

Tier 1 capital

€500m additional tier 1 perpetual contingent write down securities issued 2 October 2019

On 2 October 2019 part of its capital reorganisation, AIB Group plc. issued € 500m nominal value of additional tier 1 perpetual contingent temporary write-down securities ('AT1s'). The securities, which are accounted for as equity in the statement of financial position, are included in the Group consolidated capital position. The securities have been downstreamed in the same form to its subsidiary, Allied Irish Banks, p.l.c.

Interest on the securities, at a fixed rate of 5.25% per annum, is payable semi-annually in arrears on 9 April and 9 October, commencing on 9 April 2020. On the first reset date in the event that the securities are not redeemed, interest will be reset to the relevant 5 year rate plus a margin. AIB Group plc. has sole and absolute discretion at all times to cancel (in whole or in part) any interest payment that would otherwise be payable on any interest payment date. In addition, there are certain limitations on the payment of interest if such payments are prohibited under Irish banking regulations or regulatory capital requirements, if AIB Group plc. has insufficient reserves available for distribution or if AIB Group plc. fails to satisfy the solvency condition as defined in the securities terms. Any interest not paid on an interest payment date by reason of the provisions as to cancellation of interest or by reason of the solvency condition set out in the terms and conditions, will not accumulate or be payable thereafter.

The securities are perpetual securities with no fixed redemption date. AIB Group plc. may, in its sole and full discretion, redeem all (but not some only) of the securities on the first call date or on any interest payment date thereafter at the prevailing principal amount together with accrued but unpaid interest. However, redemption is subject to the permission of the Single Supervisory Mechanism/Central Bank of Ireland who have set out certain conditions in relation to redemption, purchase, cancellation and modification of these securities. In addition, the securities are redeemable at the option of AIB Group plc. for certain regulatory or tax reasons.

The securities, which do not carry voting rights, rank pari passu with holders of other tier 1 instruments (excluding the Company's ordinary shares) and with the holders of preference shares, if any, which have a preferential right to a return of assets in a winding-up of AIB Group plc. They rank ahead of the holders of ordinary share capital of the Company but junior to the claims of senior creditors.

If the CET1 ratio of the Group at any time falls below 7% (a trigger event) and is not in winding-up, subject to certain conditions, the issuer. may write down the AT1s by the lower of the amount necessary to generate sufficient common equity tier 1 capital to restore the CET1 ratio to 7% or the amount that would reduce the prevailing principal amount to zero. To the extent permitted, in order to comply with regulatory capital and other requirements, the issuer may at its sole and full discretion reinstate any previously written down amount.

€625m additional tier 1 perpetual contingent write down securities issued 23 June 2020

On 23 June 2020 AIB Group plc. issued € 625m nominal value of additional tier 1 perpetual contingent temporary write-down securities ('AT1s'). The securities, which are accounted for as equity in the statement of financial position, are included in the Group consolidated capital position. The securities have been downstreamed in the same form to its subsidiary, Allied Irish Banks, p.l.c.

Interest on the securities, at a fixed rate of 6.25% per annum, is payable semi-annually in arrears on 23 June and 23 December, commencing on 23 December 2020. On the first reset date in the event that the securities are not redeemed, interest will be reset to the relevant 5 year rate plus a margin. AIB Group plc. has sole and absolute discretion at all times to cancel (in whole or in part) any interest payment that would otherwise be payable on any interest payment date. In addition, there are certain limitations on the payment of interest if such payments are prohibited under Irish banking regulations or regulatory capital requirements, if AIB Group plc. has insufficient reserves available for distribution or if AIB Group plc. fails to satisfy the solvency condition as defined in the securities terms. Any interest not paid on an interest payment date by reason of the provisions as to cancellation of interest or by reason of the solvency condition set out in the terms and conditions, will not accumulate or be payable thereafter.

The securities are perpetual securities with no fixed redemption date. AIB Group plc. may, in its sole and full discretion, redeem all (but not some only) of the securities on the first call date or on any interest payment date thereafter at the prevailing principal amount together with accrued but unpaid interest. However, redemption is subject to the permission of the Single Supervisory Mechanism/Central Bank of Ireland who have set out certain conditions in relation to redemption, purchase, cancellation and modification of these securities. In addition, the securities are redeemable at the option of AlB Group plc. for certain regulatory or tax reasons.

The securities, which do not carry voting rights, rank pari passu with holders of other tier 1 instruments (excluding the Company's ordinary shares) and with the holders of preference shares, if any, which have a preferential right to a return of assets in a winding-up of AIB Group plc. They rank ahead of the holders of ordinary share capital of the Company but junior to the claims of senior creditors.

If the CET1 ratio of the Group at any time falls below 7% (a trigger event) and is not in winding-up, subject to certain conditions, the issuer. may write down the AT1s by the lower of the amount necessary to generate sufficient common equity tier 1 capital to restore the CET1 ratio to 7% or the amount that would reduce the prevailing principal amount to zero. To the extent permitted, in order to comply with regulatory capital and other requirements, the issuer may at its sole and full discretion reinstate any previously written down amount.

Tier 2 capital

Broadly includes qualifying subordinated debt and other tier 2 securities in issue. It is subject to adjustments relating to the excess of expected loss on the IRBA portfolios over the accounting expected credit losses on the IRBA portfolios, securitisation positions and material holdings in financial companies.

€500m subordinated tier 2 notes due 2029, callable 2024

On 19 November 2019, AIB Group plc. issued € 500m subordinated tier 2 notes due 2029, callable 2024. These notes mature on 19 November 2029 but can be redeemed in whole, but not in part, at the option of AIB Group plc. on the optional redemption date on 19 November 2024, subject to the approval of the Financial Regulator, with approval being conditional on meeting the requirements of the EU Capital Requirements Regulation. The notes bear interest on the outstanding nominal amount at a fixed rate of 1.875%, payable annually in arrears on 19 November each year.

€1,000m subordinated tier 2 notes due 2031, callable 2026

On 30 September 2020, AIB Group plc. issued € 1,000m subordinated tier 2 notes due 2031, callable 2026. These notes mature on 30 May 2031 but can be redeemed in whole, but not in part, at the option of AIB Group plc. on the optional redemption date on 30 May 2026, subject to the approval of the Financial Regulator, with approval being conditional on meeting the requirements of the EU Capital Requirements Regulation. The notes bear interest on the outstanding nominal amount at a fixed rate of 2.875%, payable annually in arrears on 30 September each year.

Instruments issued by subsidiaries that are given recognition in tier 2 capital

Other subordinated term loan capital

Following the liability management exercises in 2011 and the Subordinated Liabilities Order ("SLO") in April 2011, residual balances remained on certain dated loan capital instruments. The SLO, which was effective from 22 April 2011, changed the terms of all of those outstanding dated loan agreements. The original liabilities were derecognised and new liabilities were recognised, with their initial measurement based on the fair value at the SLO effective date. The contractual maturity date changed to 2035 as a result of the SLO, with coupons to be payable at the option of Allied Irish Banks, p.l.c. These instruments will amortise to their nominal value in the period to their maturity in 2035.

Under CRD, a portion of the capital reserves attributable to the tier 2 capital instruments issued by Allied Irish Banks, p.l.c. as outlined above, which exceed the minimum own funds requirement, is not recognised for AIB Group plc consolidated regulatory capital purposes. This restriction reduced qualifying transitional tier 2 capital by € 20 m at 31 December 2021.

IRB excess of provisions over expected eligible losses

For IRB exposures, the total regulatory expected loss ("EL") on IRB loans is compared to the total expected credit loss ("ECL") attributed to those loans in the financial statements. If EL is greater than ECL, the excess is deducted from CET1. An excess of ECL over EL on exposures in default cannot be used to cover a deficit on non-default exposures, i.e. the CET 1 deduction is the greater of (i) the total excess of EL over ECL and (ii) the non-default excess of EL over ECL. Any excess of ECL over EL is added to tier 2 capital up to a limit of 0.6% of IRB risk weighted assets.

Other: Warrants

Warrants to acquire a fixed number of the Company shares for a fixed amount of currency are classified as equity instruments and are recognised on initial recognition at the fair value of consideration received.

Glossary

Glossary of definitions and explanations

A

Additional Tier 1 capital – (“AT1”) are securities issued by AIB and included in its capital base as fully CRD V compliant additional tier 1 capital on a fully loaded basis.

B

Banking book (also non-trading book) – A regulatory classification to support the regulatory capital treatment that applies to all exposures which are not in the trading book. Banking book positions tend to be structural in nature and, typically, arise as a consequence of the size and composition of a bank's balance sheet. Examples include the need to manage the interest rate risk on fixed rate mortgages or rate insensitive current account balances. The banking book portfolio will also include all transactions/ positions which are accounted for on an interest accruals basis or, in the case of financial instruments in a held to collect and sell business model, on a fair value through other comprehensive income (FVOCI) basis.

Basel II – A set of banking regulations issued in 2004 by the Basel Committee on Bank Supervision, which regulated finance and banking internationally. It was implemented into EU law by Directive 2006/48/EC and Directive 2006/49/EC. Basel II attempted to integrate Basel capital standards with national regulations, by setting the minimum capital requirements of financial institutions with the goal of ensuring institution liquidity

Basel III – A comprehensive set of reform measures, developed by the Basel Committee on Banking Supervision, to strengthen the regulation, supervision and risk management of the banking sector. These measures aim to:

– improve the banking sector's ability to absorb shocks arising from financial and economic stress, whatever the source;

– improve risk management and governance; and

– strengthen banks' transparency and disclosures. Basel III is part of the Committee's continuous effort to enhance the banking regulatory framework.

Basel III builds on the International Convergence of Capital Measurement and Capital Standards document (Basel II). CRD implements the Basel III agreement in the EU framework.

Basis points (“bps”) – One hundredth of a per cent (0.01%), so 100 basis points is 1%. Used in quoting movements in interest rates or yields on securities.

C

Carrying value – An accounting measure of value, where the value of an asset or a company is based on the figures in the company's statement of financial position (balance sheet). This is the amount at which an asset is recognised in the balance sheet after deducting accumulated depreciation and accumulated impairment. This is different from market value, as it can be higher or lower depending on the circumstances, the asset in question and the accounting practices that affect those assets.

Capital Requirements Directive (“CRD”) – Capital adequacy legislation implemented by the European Union and adopted by Member States designed to ensure the financial soundness of credit institutions and certain investment firms and give effect in the EU to the Basel II proposals which came into force on 20 July 2006.

Capital Requirements Directive (“CRD”) – The CRD V Package includes an amendment to Directive 2013/36/EU (CRD IV) and Regulation 575/2013 (CRR) and is the EU’s final step to implement the Basel III standards.

Central Bank of Ireland – (“Central Bank” or “CBI”) is responsible for both central banking and financial regulation and was created under the Central Bank Reform Act 2010. The Central Bank has a legal mandate, in both domestic legislation and under the Maastricht Treaty, to contribute to financial stability both in Ireland and across the Eurozone. Historically, the Central Bank had overall responsibility for the authorisation and supervision of credit institutions operating in Ireland. From 4 November 2014, a number of supervisory responsibilities and decision making powers moved to the ECB (see Single Supervisory Mechanism below).

Common equity tier 1 capital (“CET1”) – The highest quality form of regulatory capital under Basel III that comprises common shares issued and related share premium, retained earnings and other reserves excluding cash flow hedging reserves, and deducting specified regulatory adjustments.

Common equity tier 1 ratio – A measurement of a bank’s common equity tier 1 capital expressed as a percentage of its total risk weighted assets.

Counterparty credit exposure (“CCE”) – A measure of the amount that would be lost in the event that a counterparty to a financial contract defaults prior to its maturity. If, at that time the Group were to incur a loss to replace the contract, this would give rise to a claim on the counterparty. CCE consists partly of the contract’s current replacement cost (or mark-to-market) and partly of potential future exposure. The potential future exposure component is an estimation which reflects possible changes in market values during the remaining life of the individual contract. The CCE for an individual counterparty will take into account the existence of valid bilateral netting or collateral agreements, where these are in place.

Credit conversion factor (“CCF”) – Converts off-balance sheet items and items which are committed but undrawn into on-balance sheet credit exposure equivalents. An estimate is made of the proportion of undrawn commitments expected to have been drawn at the point of default. Conversion factor is the ratio of the currently undrawn amount of a commitment that will be drawn and outstanding at default to the currently undrawn amount of the commitment. The extent of the commitment is determined by the advised limit, unless the unadvised limit is higher.

Credit default swap ("CDS") – An agreement between two parties whereby one party pays the other a fixed coupon over a specified term. The other party makes no payment unless a specified credit event, such as a default, occurs, at which time a payment is made and the swap terminates. Credit default swaps are typically used by the purchaser to provide credit protection in the event of default by a counterparty.

Credit derivatives – Financial instruments where credit risk connected with loans, bonds or other risk weighted assets or market risk positions is transferred to counterparties providing credit protection. The credit risk might be inherent in a financial asset such as a loan or might be a generic credit risk such as the bankruptcy risk of an entity.

Credit impaired – Under IFRS 9, these are Stage 3 financial assets where there is objective evidence of impairment and, therefore, considered to be in default. A lifetime ECL is recognised for such assets.

Credit risk mitigation ("CRM") – Techniques used by lenders to reduce the credit risk associated with an exposure by the application credit risk mitigants. Examples include: collateral; guarantees; and credit protection.

D

Default – When a customer breaches a term and/or condition of a loan agreement, a loan is deemed to be in default for case management purposes. Depending on the materiality of the default, if left unmanaged it can lead to loan impairment. Default is also used in a CRD IV context when a loan is greater than 90 days past due and/or the borrower is unlikely to pay his credit obligations. This may require additional capital to be set aside.

E

EBA – The European Banking Authority ("EBA") is an independent EU Banking Authority which works to ensure effective and consistent prudential regulation and supervision across the European banking sector.

Expected credit loss ("ECLs") – The weighted average of credit losses with the respective risks of a default occurring as the weights. This is an accounting measure of losses under IFRS 9 for financial reporting purposes.

Expected loss ("EL") – The amount expected to be lost on an exposure from a potential default of a counterparty over a one year period. EL is calculated by multiplying the EAD (an amount) by the PD (a percentage) and by LGD (a percentage).

Exposure at default ("EAD") – The expected or actual amount of exposure to the borrower at the time of default

Exposure value – For on-balance sheet exposures, it is the amount outstanding less provisions and collateral held taking into account relevant netting agreements. For off-balance sheet exposures, including commitments and guarantees, it is the amount outstanding less provisions and collateral held taking into account relevant netting agreements and credit conversion factors.

External Credit Assessment Institution ("ECAI") – Credit rating agency that is registered or certified in accordance with Regulation (EC) No. 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies or a central bank issuing credit ratings which are exempt from the application of Regulation (EC) No 1060/2009.

F

Fair value – The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal, or in its absence, the most advantageous market to which the Group has access at that date.

Forbearance – Is the term used when repayment terms of a loan contract have been renegotiated in order to make these terms more manageable for borrowers. Standard forbearance techniques have the common characteristic of rescheduling principal or interest repayments, rather than reducing them. Standard forbearance techniques employed by the Group include: - interest only; a reduction in the payment amount; a temporary deferral of payment (a moratorium); extending the term of the loan; and capitalising arrears amounts and related interest.

G

Gross exposure – The exposure at default before Credit Risk Mitigation ("CRM"), Credit Conversion Factors ("CCF") and other offsets. See Credit Risk Mitigation and Credit Conversion Factor defined above.

I

Impaired loans – See credit impaired above.

Internal Capital Adequacy Assessment Process ("ICAAP") – The Group's own assessment, through an examination of its risk profile from regulatory and economic capital perspectives, of the levels of capital that it needs to hold.

Internal Ratings Based Approach ("IRBA") – Allows banks, subject to regulatory approval, to use their own estimates of certain risk components to derive regulatory capital requirements for credit risk across different asset classes. The relevant risk components are: Probability of Default ("PD"); Loss Given Default ("LGD"); and Exposure at Default ("EAD").

L

Leverage ratio – To prevent an excessive build-up of leverage on institutions' balance sheets, Basel III introduced a non-risk based leverage ratio to supplement the risk-based capital framework of Basel II. It is defined as the ratio of tier 1 capital to total exposures. Total exposures include on-balance sheet items, off-balance sheet items and derivatives, and should generally follow the accounting measure of exposure.

Loss Given Default ("LGD") – The expected or actual loss in the event of default, expressed as a percentage of 'exposure at default'.

M

Mark-to-market – The mark-to-market of a derivative security represents its replacement cost at a point in time.

N

Net Stable Funding Ratio (“NSFR”) – The ratio of available stable funding to required stable funding over a 1 year time horizon.

Non-performing exposures (“NPEs”) – Non-performing exposures are defined by the European Banking Authority to include material exposures which are more than 90 days past due (regardless of whether they are impaired) and/or exposures in respect of which the debtor is assessed as unlikely to pay his/her credit obligations in full without realisation of collateral, regardless of the existence of any past due amount or the number of days the exposure is past due.

O

Off-balance sheet items – Include undrawn commitments to lend, guarantees, letters of credit, acceptances and other items as listed in Annex I of the CRR.

Operational risk – The risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. It includes legal risk, but excludes strategic and business risk. In essence, operational risk is a broad canvas of individual risk types which include product and change risk, outsourcing, information security, cyber, business continuity, health and safety risks, people risk and legal risk.

Originator – Is either of the following:
a. an entity which, either itself or through related entities, directly or indirectly, is involved in the original agreement which created the obligations or potential obligations of the debtor or potential debtor giving rise to the exposure being securitised;
b. an entity which purchases a third party's exposures onto its balance sheet and then securitises them.

Other items – A CRD definition which refers to other assets including land and buildings, plant and machinery, other fixtures and fittings, tools and equipment, payments on account and tangible assets in the course of construction.

P

Pillar 1 – minimum capital requirements – The part of the Basel Accord setting out the calculation of regulatory capital for credit, market and operational risk.

Pillar 2 - supervisory review process - The part of the Basel Accord intended to ensure that banks have adequate capital to support all the risks in their business and also develop and use better risk management techniques in monitoring and managing these risks.

Pillar 3 – market discipline – The part of the Basel Accord which sets out the disclosure requirements for banks to publish certain details of their risks, capital and risk management, with the aim of strengthening market discipline.

Potential future exposure (“PFE”) – A measure of counterparty risk/credit risk and is defined as the maximum expected credit exposure over a specified period of time calculated at some level of confidence.

Probability of default (“PD”) – The likelihood that a borrower will default on an obligation to repay.

R

Regulatory capital – Regulatory capital which AIB holds, determined in accordance with rules established by the SSM/ECB for the consolidated Group and by local regulators for individual Group companies.

Repurchase agreement (“repo”) – A short-term funding agreement that allows a borrower to create a collateralised loan by selling a financial asset to a lender. As part of the agreement, the borrower commits to repurchase the financial asset at a date in the future, repaying the proceeds of the loan. For the counterparty to the transaction it is termed a reverse repurchase agreement or a reverse repo.

Re-securitisation – This is a securitisation exposure in which the underlying asset or pool of assets comprises at least one securitisation exposure.

Risk weighted assets (“RWAs”) – A measure of assets (including off-balance sheet items converted into asset equivalents e.g. credit lines) which are weighted in accordance with prescribed rules and formulas as defined in the Basel Accord to reflect the risks inherent in those assets.

S

Securitisation – The process of aggregating and repackaging non-tradable financial instruments such as loans and advances, or company cash flows into securities that can be issued and traded in the capital markets.

Securitisation position – An exposure to a securitisation.

Single Supervisory Mechanism (“SSM”) – A system of financial supervision comprising the European Central Bank (“ECB”) and the national competent authorities of participating EU countries. The main aims of the SSM are to ensure the safety and soundness of the European banking system and to increase financial integration and stability in Europe.

Sponsor – A credit institution other than an originator credit institution that establishes and manages an asset backed commercial paper programme or other securitisation scheme that purchases exposures from third party entities.

T

Tier 1 capital – A measure of a bank's financial strength defined by the Basel Accord. It captures common equity tier 1 capital and other instruments in issue that meet the criteria for inclusion as additional tier 1 capital. These are subject to certain regulatory deductions.

Tier 2 capital – Broadly includes qualifying subordinated debt and other tier 2 securities in issue. It is subject to adjustments relating to the excess of expected loss on the IRBA portfolios over the accounting expected credit losses on the IRBA portfolios, securitisation positions and material holdings in financial companies.

Total exposure – See exposure value.

Trading book – Includes all securities and interest rate derivatives that are held for trading purposes in the Treasury function. These are revalued daily at market prices (marked to market) and any changes in value are immediately recognised in the income statement.

V

Value at Risk – The Group's core risk measurement methodology is based on an historical simulation application of the industry standard Value at Risk ("VaR") technique. The methodology incorporates the portfolio diversification effect within each standard risk factor (interest rate, credit spread, foreign exchange, equity, as applicable). The resulting VaR figures, calculated at the close of business each day, are an estimate of the probable maximum loss in fair value over a one day holding period that would arise from an adverse movement in market rates. This VaR metric is derived from an observation of historical prices over a period of one year and assessed at a 95% statistical confidence level (i.e. the VaR metric may be exceeded at least 5% of the time).

W

Wrong Way Risk – For the purposes of measuring counterparty credit exposure, wrong way risk may be defined as either a) the probability of default of the counterparty being positively correlated with the quantum of credit exposure or b) the value of collateral held being negatively correlated with the probability of default of the counterparty.