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Bank of Ireland Group plc  
Country by Country Reporting 2019



**Bank of  
Ireland**

## Country by Country Reporting Schedule

### Basis of preparation

The disclosures contained in this report have been prepared pursuant to the country-by-country reporting (CBCR) requirements for specified institutions<sup>1</sup> under the Capital Requirements Directive (CRD IV), which have been transposed into Irish legislation as Regulation 77 of Statutory Instrument 158 of 2014.

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

- a. Name(s), nature of activities and geographical location;
- b. Turnover;
- c. Number of employees on a full time equivalent basis (FTE);
- d. Profit or loss before tax;
- e. Tax on profit or loss; and
- f. Public subsidies received.

The Governor and Company of the Bank of Ireland (GovCo) as a credit institution is required to comply with Regulation 77 and this report fulfils that obligation. Bank of Ireland Group plc is the listed holding company of the Group and the parent company of GovCo. Bank of Ireland Group plc (the 'Company' or 'BOIG plc') and its subsidiaries are collectively the 'Group' or 'BOIG plc Group' for the purposes of this disclosure.

The Group prepares consolidated statutory financial statements under International Financial Reporting Standards as adopted by the European Union (EU)<sup>2</sup>.

The CBCR disclosures are prepared under International Financial Reporting Standards as adopted by the European Union (EU) except as regards the scope of consolidation, which, in line with the EU Capital Requirements Regulations (CRR), is on a prudential basis consistent with the Group's Pillar 3 disclosure<sup>2</sup>.

The principal difference between the statutory consolidated financial statements and prudential basis of consolidation relates to the Group's wholly owned life assurer, New Ireland Assurance Company plc, which is fully consolidated in the statutory financial statements but treated as an investment in the prudential consolidation.

In the disclosures that follow:

1. Country of establishment is defined as the geographical location of the business unit booking the transaction.
2. Turnover comprises net interest income, net fees and commission income, net trading income and other operating income. Amounts from other countries (if any), which individually and in the aggregate are immaterial, are allocated to 'Other'. In deriving 'turnover' by country, intercompany turnover arising within a country is eliminated but intercompany turnover is reported in the above turnover by geography.
3. Total turnover and profit or loss before tax are derived from external activities only, i.e. all intragroup transactions and balances between entities included in the prudential consolidation have been eliminated. However, in the geographical analysis, transactions between entities in different geographical locations are not eliminated.
4. The number of employees on a full time equivalent basis is shown as the average for the year.
5. The taxation paid numbers disclosed under CRD IV refer to corporation tax only.
6. The taxation charge represents the corporation tax expense / (credit) for the current year and excludes deferred taxes, adjustments in respect of prior years and any provisions for uncertain tax liabilities.
7. Public subsidies are defined to be direct support by the government. They do not include any central bank operations that are designed for financial stability purposes or operations that aim to facilitate the functioning of the monetary policy transmission mechanism. Moreover, schemes in line with the European Commission's guidance on State Aid are not considered public subsidies in the context of CBCR. Furthermore, general tax incentives do not fall within the definition of public subsidy for the purposes of CBCR.

<sup>1</sup> Credit institutions and investment firms.

<sup>2</sup> Copies of the Group's Annual Report and Pillar 3 disclosures for the year ended 31 December 2019 can be obtained from the Group's website at [www.bankofireland.com](http://www.bankofireland.com) or from the Group Secretary's Office, Bank of Ireland, 40 Mespil Road, Dublin 4, Ireland.

## Principal undertakings<sup>1</sup>

Name	Principal Activities	Country of Establishment
Bank of Ireland Group plc	Holding Company	Republic of Ireland
The Governor and Company of the Bank of Ireland	Banking and Financial Services	Republic of Ireland Additional branches: United Kingdom, United States of America, Germany, France and Spain.
Bank of Ireland Mortgage Bank <sup>2</sup>	Mortgage lending and issuing mortgage covered securities	Republic of Ireland
Bank of Ireland (UK) plc <sup>2</sup>	Retail financial services	United Kingdom
N.I.I.B. Group Limited	Personal finance and leasing	United Kingdom

The Group will annex a full listing of Group Undertakings to its 2019 Annual Return to the Companies Registration Office.

## Turnover, profit before taxation, taxation and employees (year ended 31 December 2019)

Country of establishment	Turnover €m	Profit before tax €m	Taxation charge €m	Taxation paid €m	Average FTEs
Ireland	1,874	370	35	8	7,632
United Kingdom	674	157	18	30	1,985
United States of America	66	50	11	8	43
France	16	12	5	3	12
Germany	2	-	-	-	10
<b>Total</b>	<b>2,632</b>	<b>589</b>	<b>69</b>	<b>49</b>	<b>9,682</b>

### Taxation paid / (refunded) and other supplementary information (unaudited)

In any given year, tax paid may not directly relate to the accounting profits earned in that year because differences can arise between accounting profit and taxable profit as a result of applying local tax legislation.

The taxation paid disclosed under CRD IV relates to corporation tax only and does not include the wider tax contribution to the Irish Exchequer or other tax authorities. In 2019, the Group made payments to the Irish Exchequer of €270 million which in addition to corporation tax, primarily comprised irrecoverable

VAT, employers' PRSI contributions and the bank levy (€35 million).

The above table shows Irish corporation tax paid of €8 million during the year with a further €27 million related to 2019 to be paid to the Revenue Commissioners in 2020. The table above does not include Irish corporation tax payments of €4 million made by New Ireland Assurance Company plc in 2019.

Certain legal entities did not have brought forward operating losses and therefore reflect a current taxation charge and taxation payment for the year.

## Public subsidies

No public subsidies were received by the Group during the year ended 31 December 2019.

<sup>1</sup> This table shows the principal undertakings of the Group which are included in the prudential basis of consolidation. For further detail refer to the basis of preparation on page 2. The Group's principal undertakings are listed in note 54 of its 2019 annual report for the purposes of annual statutory reporting and in section 1.3 of the 2019 Pillar 3 Disclosures in which statutory accounting compared to prudential consolidation is further explained.

<sup>2</sup> Direct subsidiary of the Governor and Company of the Bank of Ireland.

## Auditor's Report

### Independent Auditor's Report to the Directors of Bank of Ireland Group plc

#### Opinion

We have audited the accompanying Country-by-Country (CBC) financial information of Bank of Ireland Group plc (the 'Group') for the year ended 31 December 2019 pursuant to the European Union (Capital Requirements) Regulations, 2014 (the 'Regulations') which is required to be audited by Regulation 77 of those Regulations. The CBC financial information set out on pages 2 to 3 in the Bank of Ireland Group plc CBC report (collectively the 'CBC financial information'), is prepared on a consolidated basis in accordance with management's basis of preparation as set out in the basis of preparation on page 2.

In our opinion, the CBC financial information as at 31 December 2019:

- is prepared in all material respects in accordance with the basis of preparation set out on page 2; and
- discloses the items of CBC financial information required to be published, having applied the relevant principles of IFRS as adopted by the EU, and by Regulation 77 of the European Union (Capital Requirements) Regulations, 2014.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)), including ISA (Ireland) 805. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the CBC financial information section of our report. We have fulfilled our ethical responsibilities and are independent of the Company in accordance with Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA).

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

#### Emphasis of matter – basis of preparation

In forming our opinion on the CBC financial information, which is unmodified, we have considered the adequacy of the disclosure made on pages 2 to 3 concerning the definitions applied by the Group to the items of CBC financial information required to be published. Regulation 77 of the European Union (Capital Requirements) Regulations, 2014 does not set out definitions of the items of CBC financial information to be disclosed. The Group has applied definitions, as applicable, to the items of CBC financial information which are consistent with the definitions of those items in accordance with IFRS as adopted by the EU and of those items in the Group's annual statutory financial statements.

#### We have nothing to report on going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve

months from the date when the CBC financial information is available for use. We have nothing to report in these respects.

#### Responsibilities of the Directors for the CBC financial information

The Directors are responsible for the preparation and fair presentation of the CBC financial information in accordance with the requirements of the European Union (Capital Requirements) Regulations, 2014 relevant to preparing such CBC financial information, and for such internal control as management determines is necessary to enable the preparation of the CBC financial information that is free from material misstatement, whether due to fraud or error.

In preparing the CBC financial information, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing as applicable matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

#### Auditor's responsibilities for the audit of the CBC financial information

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

A fuller description of our responsibilities is provided on IAASA's website at:

[https://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8fa98202dc9c3a/Description\\_of\\_auditors\\_responsibilities\\_for\\_audit.pdf](https://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8fa98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf).

Our report is made solely to the Group's Directors, as a body, in accordance with our engagement letter to provide a report pursuant to Regulation 77 of the European Union (Capital Requirements) Regulation, 2014. Our audit work has been undertaken so that we might state to the Group's Directors those matters we are required to state to them in an auditor's report on CBC financial information and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Group and the Group's Directors as a body, for our audit work, for this report, or for the opinions we have formed.

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