

20
21

Bank of Ireland Group plc
Country by Country Reporting



**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 institutions¹ 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).

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)².

The CBCR disclosures are prepared under International Financial Reporting Standards as adopted by the EU except as regards the scope of consolidation, which, in line with the EU Capital Requirements Regulations, is on a prudential basis consistent with the Group's Pillar 3 disclosures².

The principal difference between the statutory consolidated financial statements and prudential basis of consolidation relates to the Group's wholly owned life insurer, 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 fee and commission income, net trading income / (expense) 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 the same country is eliminated but intercompany turnover between entities in different geographic locations 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 an FTE 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 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.

¹ Credit institutions.

² Copies of the Group's Annual Report and Pillar 3 disclosures for the year ended 31 December 2021 can be obtained from the Group's website at www.bankofireland.com or from the Group Secretary's Office, Bank of Ireland Group plc, Baggot Plaza, 27-33 Upper Baggot Street, Dublin 4, D04 VX58, Ireland.

Principal undertakings¹

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 ²	Banking and financial services	Republic of Ireland Additional branches: United Kingdom, United States of America, France, Germany and Spain.
Bank of Ireland Mortgage Bank Unlimited Company ^{3,4}	Mortgage lending and issuing mortgage covered securities	Republic of Ireland
Bank of Ireland (UK) plc ³	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 2021 Annual Return to the Companies Registration Office.

Turnover, profit before taxation, taxation and employees (year ended 31 December 2021)

Country of establishment	Turnover €m	Profit before tax €m	Taxation charge €m	Taxation paid / (refunded) €m	Average FTEs
Republic of Ireland	1,937	658	14	(1)	6,953
United Kingdom	696	434	61	60	1,755
United States of America	80	80	16	14	41
France	10	6	2	(1)	13
Germany	2	1	-	-	9
Spain	2	-	-	-	5
Total	2,727	1,179	93	72	8,776

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 2021, the Group made payments to the Irish Exchequer of €240 million which in addition to corporation tax, primarily comprised irrecoverable VAT, employers' PRSI contributions and the bank levy (€25 million).

Public subsidies

No public subsidies were received by the Group during the year ended 31 December 2021.

¹ 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 57 of its 2021 annual report for the purposes of annual statutory reporting and in section 1.3 of the 2021 Pillar 3 Disclosures, in which statutory accounting compared to prudential consolidation is further explained.

² Direct subsidiary of BOIG plc.

³ Direct subsidiary of the Governor and Company of the Bank of Ireland.

⁴ In November 2021, the Bank's name was amended from 'Bank of Ireland Mortgage Bank' to 'Bank of Ireland Mortgage Bank Unlimited Company'.

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 Company") for the year ended 31 December 2021 pursuant to 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"), has been prepared on a consolidated basis more fully explained on page 2.

In our opinion, the CBC financial information as at 31 December 2021:

- is properly prepared, in all material respects, in accordance with the special purpose basis of preparation set out on page 2 to the CBC financial information; and
- discloses the items of CBC financial information required to be published, having applied the relevant principles of International Financial Reporting Standards (IFRS) as adopted by the European Union 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, and the terms of our engagement letter dated 11 April 2022. Our responsibilities are described Auditor's responsibilities for the audit of the CBC financial information section of our report. We are independent of the Company in accordance with ethical requirements that are relevant to our audit of the CBC financial information in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Emphasis of matter – special purpose 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 Company 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 Company 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 European Union and of those items in the Company's annual statutory financial statements. The CBC Report is prepared to assist the Company in meeting the requirements of the Regulations. As a result, the CBC Report may not be suitable for another purpose.

Conclusions relating to going concern

In auditing the CBC financial information, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the CBC financial information is appropriate.

We evaluated the Directors' assessment of the entity's ability to continue to adopt the going concern basis of accounting. In our evaluation of the Directors' conclusions, we considered the inherent risks to the Group's and Company's business model and analysed how those risks might affect the Group's and Company's financial resources or ability to continue operations over the going concern period.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from the date when the CBC financial information is authorised for issue.

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

Respective responsibilities and restrictions on use

Responsibilities of Directors for the CBC financial information
The Directors are responsible for: the preparation 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; such internal control as they determine is necessary to enable the preparation of the CBC financial information that is free from material misstatement, whether due to fraud or error; assessing the Company'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 Company 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 are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 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 <http://www.iaasa.ie/Publications/Auditing-standards/International-Standards-on-Auditing-for-use-in-Ire/Description-of-the-auditor-s-responsibilities-for->.

Auditor's Report *(continued)*

The purpose of our audit work and to whom we owe our responsibilities

Our report is made solely to the Company'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 Company'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 Company and the Company's Directors as a body, for our audit work, for this report, or for the opinions we have formed.

Patricia Carroll
for and on behalf of
KPMG
Chartered Accountants, Statutory Audit Firm
1 Stokes Place,
St. Stephens Green,
Dublin 2,
Ireland

26 May 2022

