

KBC BANK IRELAND PLC
AND SUBSIDIARIES
COUNTRY-BY-COUNTRY REPORTING
ANNEX TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2020

BASIS OF DISCLOSURES

KBC Bank Ireland plc and its subsidiary companies (referred to in whole as “the Bank”) prepare consolidated financial statements under International Financial Reporting Standards (“IFRS”) as adopted by the European Union (“EU”).

KBC Bank Ireland plc is a credit institution authorised by the Central Bank of Ireland. All subsidiaries are consolidated for both financial statement presentation and regulatory reporting; the regulatory returns and financial statements are similar other than presentation.

The disclosures contained in this report have been prepared for KBC Bank Ireland plc. and its subsidiaries on a consolidated basis as at 31 December 2020. These disclosures have been prepared to comply with Regulation 77 of SI 158 of 2014 “Capital Requirement Regulations” which sets out the following disclosure requirements for 31 December 2020 with respect to “Country-by-Country reporting”.

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

All locations shown are the country of incorporation. The tax residency of each company is the same as its country of incorporation.

(b) turnover;

Turnover consists of net interest income, net gain/loss on financial assets and liabilities at fair value through profit or loss, net realised gains/losses on sales of financial assets, net fee and commission income and dividend income.

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

Average number of full time employees (FTE's) provided. There are no full time employees in any of the Bank's non-domestic subsidiaries.

(d) Profit or loss before tax;

(e) Tax on profit or loss;

Tax on profit or loss has been interpreted as the corporation tax paid/refunded in each country during the year.

(f) Public subsidies received;

The Bank or any of its subsidiaries has not received any public subsidies in the year-ended 31 December 2020.

POST BALANCE SHEET EVENTS

Following the announcements made on the 16 April 2021 and 22 October 2021, the Bank has now entered into a legally binding agreement with Bank of Ireland relating to the sale of substantially all of the Bank's performing loan assets and its deposit book to Bank of Ireland Group. In addition, a small portfolio of non-performing mortgages will also be acquired as part of the transaction.

The transaction remains subject to regulatory, including Irish competition, approvals. The transaction is a non-adjusting event in respect of the year ended 31 December 2020.

The Bank's consolidated financial statements for the year ended 31 December 2020 were prepared on a going concern basis. The directors have considered and concluded that the going concern basis of preparation remains appropriate for the purposes of the Country by Country reporting annex to the financial statements and that no material uncertainty arises.

KBC BANK IRELAND PLC AND SUBSIDIARIES

Country-by-Country reporting

Country	Turnover (€'000)	Average FTE's	(Loss)/profit before tax (€'000)	Taxation paid/(refund)(€'000)
Ireland	277,081	1,274	(58,698)	430
United Kingdom	97	-	103	-

For a full list of the Bank's subsidiaries please see Note 34 'Subsidiaries and non-subsidiary companies' of the Bank's consolidated financial statements. The Bank's non-domestic subsidiary is as follows:

Name	Nature of Activity	Country
Premier Homeloans Limited	Retail mortgage lending	United Kingdom

Ales Blazek
Director

Frank Jansen
Director

22 December 2021



Independent auditors' report to the directors of KBC Bank Ireland plc (the "Bank")

Report on the audit of the Country-by-Country Reporting Schedule

Opinion

In our opinion, KBC Bank Ireland plc's Country-by-Country Reporting Schedule for the year ended 31 December 2020 has been properly prepared, in all material respects, in accordance with the Basis of Preparation set out on page 2.

We have audited the Country-by-Country Reporting Schedule for the year ended 31 December 2020 which comprises the Country by Country reporting for the year ended December [2020], the Basis of Preparation and the Notes to the Country by Country Report.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) ("ISAs (Ireland)"), including ISA (Ireland) 800 and ISA (Ireland) 805, and applicable law. Our responsibilities under ISAs (Ireland) are further described in the Auditors' responsibilities for the audit of the Country-by-Country Reporting Schedule section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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

Emphasis of matter - Basis of preparation

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

Conclusions relating to going concern

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

- Performing a risk assessment to identify factors that could impact the going concern basis of accounting, including the impact of Covid-19. Read and considered the subsequent event disclosure within the Country-by-Country Reporting Schedule.
- Understanding and evaluating the Group and Bank's profitability projections, liquidity and regulatory capital plans, including the stress testing performed by management.
- Evaluation of the capital, funding and liquidity support available to the Group and the Bank from the ultimate parent, KBC Group N.V.

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 on which the Country-by-Country Reporting Schedule is authorised for issue.

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



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

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

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

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

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

In preparing the Country-by-Country Reporting Schedule, the directors are responsible for assessing the 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 the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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

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

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

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

A further description of our responsibilities for the audit of the Country-by-Country Reporting Schedule is located on IAASA's website at: https://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf. This description forms part of our auditors' report.

Use of this report

This report, including the opinion, has been prepared for and only for the Company's directors. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come, save where expressly agreed by our prior consent in writing.

PricewaterhouseCoopers
Chartered Accountants and Statutory Auditors
Dublin
22 December 2021