



# KBC Bank Ireland

Summary  
Annual Report  
2021



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# Chairperson's Statement



**“As we prepare to exit the Irish Market the Board and I are fully conscious of the responsibilities to our customers and colleagues and are committed to those responsibilities.”**

## Economic Outlook

2021 saw another strong performance by the Irish economy. While outsized GDP growth was primarily due to the buoyancy of output in the multinational sector, the year also saw a robust and increasingly broad based rebound in domestic-centred activity. The increased resilience of the Irish economy to the pandemic owes much to the adaptability of firms and households but was notably underpinned by significant fiscal supports that augurs well for economic prospects in 2022.

In 2021 the Covid-19 pandemic continued to impact on our day to day lives, from the start of this crisis, we have taken responsibility in safeguarding the health of our staff and customers.

Although the global outlook has been darkened by the Russian invasion of Ukraine and the situation remains uncertain, the limited direct economic links, together with the strong positive momentum in the Irish economy seen through 2021 suggest that any adverse effects on activity should be manageable.

## Strategic Review

On the 16th April 2021, in the context of the competitive market conditions in Ireland, KBC Bank Ireland entered into a Memorandum of Understanding with Bank of Ireland Group that would lead to a transaction where Bank of Ireland commits to acquire substantially all of KBC Bank Ireland's performing loan assets and liabilities. In addition, options for divesting KBC Bank Ireland's portfolio of non-performing mortgage loans were examined.

On the 22nd October 2021 KBC Bank Ireland confirmed that the Memorandum of Understanding with Bank of Ireland had now entered into a legally binding agreement. The transaction remains subject to regulatory, including Irish competition, approvals.

On the 27th August 2021 KBC Bank Ireland reached agreement to dispose of a non-performing mortgage loan portfolio (Private Dwelling House (PDH) and Buy to let (BTL) and a small number of non-mortgage non-performing loans) in a transaction financed by funds managed by CarVal Investors ("CarVal"). Post completion, Pepper Finance Corporation (Ireland) DAC will be managing the loans as Legal Title Holder. Pepper is regulated by the Central Bank of Ireland.

We are acutely aware of the need to ensure clarity and to support both employees and customers at this time. I would like to thank the team at KBC Bank Ireland for their continued focus on supporting our customers and we are committed to keeping customers informed of any changes or updates that may impact their products.

## Financial Performance

Against this backdrop KBC Bank Ireland reported a loss after tax of €242 million for 2021 primarily as a result of the impact of the above transactions.

KBC Group had a strong year and for the full year, the net result amounted to €2,614 million. The KBC Group solvency position remained very strong with a common equity ratio of 15.5%. We expect there will be a positive impact once the BOI transaction completes.

## Acknowledgments

I would like to acknowledge Mr. Peter Roebben for his leadership at KBC Bank Ireland since 2019. I would like to express my sincere gratitude to Mr. Roebben for his strategic direction, his focus on customers and employees at a time of significant change with KBC Bank Ireland.

I would like to thank my predecessor as Chairperson Luc Popelier for his contribution to the KBC Bank Ireland board. I would also like to acknowledge the key role that all our Non-Executive directors play in guiding the strategic direction of the organisation in this time of change. As we prepare to exit the Irish Market the Board and I are fully conscious of the responsibilities to our customers and colleagues and are committed to those responsibilities until the transactions have been completed.

**Peter Andronov**  
**Chairperson**  
**March 2022**

# Chief Executive's Review



**“We intend that any exit will be carried out in an orderly and responsible manner fully respecting all of the obligations we hold as a bank and employer.”**

## Strategy

In 2021 my first year as CEO, KBC Bank Ireland made a number of announcements regarding the future of KBC within the Irish market. On the 22nd October 2021, following the announcement of a Memorandum of Understanding (MoU) with Bank of Ireland Group on the 16th April 2021, KBC Bank Ireland confirmed it had entered into a legally binding agreement relating to the sale of substantially all of KBC Bank Ireland's performing loan assets and its deposit book to the Bank of Ireland Group. As of 31st December 2021, this transaction remains subject to the ongoing regulatory approval process. In addition, KBC Bank Ireland reached an agreement to sell a non-performing mortgage loan portfolio in a transaction financed by funds managed by CarVal Investors. Post completion, Pepper Finance Corporation (Ireland) DAC, who act as a service provider for CarVal, became the legal title holder of the loans and are responsible for managing the loans.

The effective completion of both these transactions would ultimately mean that KBC would exit the Irish Market. As CEO I am committed to ensuring as smooth a transition as possible for customers and employees. We intend that any exit will be carried out in an orderly and responsible manner fully respecting all of the obligations we hold as a bank and employer.

Our mission is to ensure that we support our customers in this transition and to ensure that they are provided with clear and timely updates regarding products and services. We will ensure customers are provided with notice of any impact or changes to their account in line with all legal and regulatory protections and as discussions progress, service remains our top priority. We will continue to provide the support through our customer service, digital channel and hub teams and in the event of a transaction being approved, we will put in place all necessary supports for customers to assist them during the transition.

I am fully committed to supporting my colleagues here in KBC Bank Ireland and a key focus throughout these processes has been the well-being of teams across the bank. I would like to pay tribute and thank all our staff for their exceptional efforts during 2021 in what was a very challenging year. To ensure that the needs and requests of employees are fully integrated into the decision-making process, we are continuing to engage openly and comprehensively with all employees. We do this through our direct engagement model and a number of channels including our Employee Council. I would like to acknowledge the work that has been done by the Employee Council throughout 2021 including their role in negotiating market leading redundancy terms and in continuing to represent the views of employees in such a rigorous way.

## Financial Performance

Against this backdrop, KBC Ireland recorded a net loss of €242 million after tax and impairment. This net loss is a direct result of the transactions announced over the course of the year and their financial impact. KBC Bank Ireland continues to enjoy the support of KBC Group and we continue to maintain a strong liquidity and capital position. The Bank's capital remains strong with a transitional and fully loaded CET 1 Capital Ratio of 14.9% as at 31st December 2021.

## Society and Sustainability

In 2021, Covid-19 continued to have an impact on society and the team at KBC Ireland remained focused on supporting and servicing our customers. We remain committed to our overall sustainability strategy and our role in wider society.

In 2021, we increased our environmental ambitions as one of over sixty signatories signing up to the Business In the Community Ireland (BITCI) new low carbon pledge. Across KBC Group we realise the important role to play in the transition to a low carbon society.

In recognising the challenge faced by employees we have strengthened our employee wellbeing programme which focusses on 3 pillars of employee wellbeing - mental, physical and financial. We are also supporting staff in preparing them for their future careers with a personal development programme

I would like to acknowledge my deep appreciation for the service given by the Executive Committee and all employees in these times of change. I would like to thank Mr. Peter Roebben for his leadership at KBC Bank Ireland and for supporting in ensuring a smooth transition as I began my time as CEO. I would also like to thank chairperson Mr. Luc Popelier for his leadership and guidance and I would like to welcome Mr. Peter Andronov as Chairperson to the KBC Bank Ireland Board. The Board and the Executive Committee of KBC Bank Ireland are fully conscious of the responsibilities to our customers and colleagues and the role of KBC as part of the Irish banking system, and we are committed to those responsibilities.

**Aleš Blažek**  
**Chief Executive**  
**March 2022**

# Board of Directors



## Peter Andronov

### Chairperson

Peter Andronov is Chairperson of the Board of Directors of KBC Bank Ireland. He has over 27 years of experience in the banking sector. He holds a master's degree in finance, Profile "Banking" (University of National and World Economy). Peter Andronov's career path involves a series of positions in the Bulgarian National Bank and in the private banking sector. Over the 2002 – 2007 period he was Chief Director of the Banking Supervision Department at the Bulgarian National Bank. From 2003 until May 2007, he was Management Board Member of the Reserve Guarantee Fund. During his term at BNB, he led the elaboration of key currently effective legislative acts on banking in Bulgaria, including the Credit Institutions Act, the Act on the Additional Supervision on Financial Conglomerates, the BNB ordinances on regulatory requirements, guidelines etc. during this period he was also member of the BNB Investment Committee.

Over the period 2005 – 2007 Peter Andronov was observer and member at the European Banking Committee and of the Committee of European Banking Supervisors at the European Commission. At the same time, he was also an observer and member of the Banking Supervision Committee at the European Central Bank. On behalf of the Bulgarian government, he led the negotiations in the domain of banking for Bulgaria's accession to the European Union. Since 1994 till 2016 he was also a university lecturer in finance at the University of National and World Economy (UNWE), New Bulgarian University and the High school for finance and insurance. During the last several years Peter Andronov was

elected and today he is still a member of the Board of Trustees of Sofia University and of the University of National and World Economy.

Over the period 2008 - 2021 Peter Andronov was a MB Member of the Association of Banks in Bulgaria, serving two mandates as its Chairman – from 2015 until 2018 and from 2018 until 2021. His career at KBC Group started in 2007 when he was appointed Executive Director of CIBANK. Several months later, in March 2008, he became CEO of CIBANK. In 2011 Peter Andronov was also appointed Country Manager of KBC Group for Bulgaria. As Chairman of the Country team, he was in charge of both CIBANK and DZI, owned by KBC Group. After the acquisition of UBB in 2017, Peter Andronov became CEO of the merged CIBANK-UBB until May 2021.

In 2021 Peter Andronov joined the Management Board of KBC as Chief Executive Officer of International Markets Business Unit, thus assuming responsibility for the Group's business on four of its core markets – Bulgaria, Hungary, Slovakia and Ireland. With this new appointment Mr. Andronov also became Chairman of the Board of Directors of KBC Asset Management. Peter Andronov was appointed Chairperson of the Board of Directors of KBC Bank Ireland in 2022. Peter Andronov is a five-time winner of the Banker of the Year award, as well as of the Manager of the Year and Burov Prize for bank management, Mr. Economy and many others. In 2015 he was also decorated as Officer of the Order of the Crown of the Kingdom of Belgium.



## **Aleš Blažek**

### **Chief Executive**

Aleš Blažek is Chief Executive of KBC Bank Ireland. After graduating with a Master's Degree in Law at the Charles University Law School in Prague in 1997, he started his professional career as an associate at the Prague Office of White & Case, working primarily in the areas of M&A, Banking & Finance and Restructuring. From 2000 until 2003, he worked as Chief Legal Counsel for Citibank Czech Republic covering the corporate and consumer banking businesses there. In 2002, he became General Counsel for Citigroup CEE Region covering corporate and investment banking businesses in Central and Eastern Europe. In 2003, he was appointed Deputy General Counsel for Citigroup EMEA, Corporate and Investment Banking in London, covering corporate and investment banking businesses in Europe, the Middle East and Africa.

In 2007, he joined GE Capital Global Banking in London to become a member of the senior executive team in the capacity as General Counsel for GE Capital consumer businesses in Europe. In 2011, he was promoted and became General Counsel for GE Capital International, London, with responsibility for legal services in all GE Capital businesses in Europe, the Middle East and Asia, and became a member of the senior executive team.

He joined CSOB in Prague in the Czech Republic Business Unit of KBC Group in 2014 as Head of the Legal Department, responsible for legal and regulatory services and corporate governance. He was appointed as Head of Data and Strategy at CSOB in April 2019 and was responsible for preparing and reviewing strategy for the CSOB Group and for managing its data infrastructure, data analytics unit and the unit responsible for KYC, AML and fraud prevention in digital channels. He was appointed as Chief Executive of KBC Bank Ireland in 2021.





## **Christine Van Rijsseghem**

### **Non-Executive Director**

Christine Van Rijsseghem graduated in 1985 from the Faculty of Law at the University of Ghent (Belgium). Subsequently she completed an MBA in Financial Sciences at Vlerick Management School in Ghent (Belgium). She started her career at KBC (formerly Kredietbank) in 1987 at the Central Foreign Entities Department. Initially she was responsible for risk management and controlling and international acquisition strategy, and later on became head of that department. In 1994 she was appointed Head of the Credit Department of KBC Bank Ireland (formerly Irish Intercontinental Bank). In 1996 she became CEO of KBC France and in 1999 CEO of KBC's London branch.

From 2000 to 2003 she was Senior General Manager of the Securities & Derivatives Processing Directorate of KBC Group. She was appointed Senior General Manager of KBC Group Finance in 2003 and was appointed Chief Risk Officer of KBC Group and a member of the KBC Group Executive Committee in May 2014. She was appointed to the Board of KBC Bank Ireland in 2014 and is Chairperson of the Risk and Compliance Committee.



## **Barry D'Arcy**

### **Executive Director**

Barry D'Arcy is Chief Risk Officer of KBC Bank Ireland and is a member of the Bank's Executive Committee and Board of Directors. Barry joined the Bank in 2011 and has undertaken a number of roles in KBC Bank Ireland including Head of the Finance function of the Bank prior to his current appointment. Barry has accumulated extensive experience in his career across the financial services and technology industry. Barry is responsible for the risk, compliance and regulatory activity of KBC Bank Ireland. Barry holds a Bachelor of Business Studies from the University of Limerick and is a member of the Chartered Institute of Management Accountants.



## **Frank Jansen**

### **Executive Director**

Frank Jansen graduated from University of Antwerp (Belgium) in 1984 with a master's degree in law. In 1985 he obtained a degree in Notary Public from the University of Louvain (Belgium) and in 1992 an Executive Master's Degree from the University of Antwerp. He started his career in 1986 as a branch manager in KBC Belgium. After several years as branch manager of different retail and corporate branches, he became Executive Director of CSOB Bank (Czech Republic), responsible for business architecture and programme management in 1999.

In 2001 he was promoted to Deputy President Kredyt Bank Poland, responsible for credit risk management and consumer finance. Between 2003 and 2008 he was General Manager of KBC France. In 2008 he joined CIBANK (Bulgaria) as CFRO, responsible for Finance, Risk, Credits and Administration departments.

From 2011 until 2017 he was CFO for KBC Group in Bulgaria and Executive Director Corporate and SME Bank. From July 2017 he was Executive Director United Bulgarian Bank (UBB), responsible for SME and Corporate Banking, member of the country management team and chairman of the boards of UBB Interlease and UBB Insurance Broker. Frank was appointed Executive Director and Chief Financial Officer in KBC Bank Ireland on 1st January 2019.



## **Marc Wittemans**

### **Non-Executive Director**

Marc Wittemans was appointed as Non-Executive Director of KBC Bank Ireland in October 2018. He holds a master degree in Applied Economics (Catholic University of Leuven – Belgium) and he also graduated in Taxation (Fiscal College, Brussels) and in Actuarial Sciences (Institute of Actuarial Sciences, Catholic University of Leuven). He is a former Professor of Auditing in the master program of VLEKHO Business School (Association of Catholic University of Leuven) and he is a Registered Accountant and Tax Consultant of the Belgian Professional Institute of Accountants and Tax Consultants.

Mr. Wittemans started his professional career in 1979 as an Internal Auditor of the Group Boerenbond in Belgium and performed audit and consulting assignments within the different companies of the Group, mainly in the insurance, industrial and service industry. In 1995 he became general manager of the holding company (M.R.B.B.) of the Group Boerenbond and in 2008 he was appointed as CEO. M.R.B.B. is one of the core shareholders of KBC Group. In this position he coordinated or was actively involved in several M&A projects for the Group Boerenbond and he is responsible for the management of a portfolio of investments. Mr. Wittemans holds non-executive directorships in several entities of KBC Group and in a number of subsidiaries of M.R.B.B. He is Chairperson of the Audit Committee and member of the Risk and Compliance Committee of KBC Group.



## **Philippe Debaillie**

### **Non-Executive Director**

Philippe Debaillie was appointed Non-Executive Director of KBC Bank Ireland in October 2018. He holds a Master of science: Bio-engineer Chemistry and MBA general management (PUB) from the University of Ghent. He served as non-executive director in several companies of the KBC group from 1997 (Krefima (1997 - 2003), Fidea (2003 - 2010), KBC Lease – member ARCC (2007 - 2012), KBC verzekeringen (2010 - 2012), KBC Securities NV – (2012 - present) and member Audit Committee and Nomination Committee (April 2017 - present). Philippe started as nutritionist in the family owned feed mill and after acquiring expertise and experience in different departments of the group, he is now managing director of the group Debaillie and director in Belgian Pork Group, the largest Belgian pig processor.



## **Tom De Witte**

### **Non- Executive Director**

Tom De Witte graduated in 1987 from the Military Academy in Belgium with a master's degree in Aviation Science and subsequently obtained a master's degree in Applied Information Technology from the Free University in Brussels in 1992. He joined KBC Belgium in 1996, where he initially held various positions in the IT domain. In 2005, after leading an organisational restructuring programme of KBC Group, he became General Manager of Retail Insurance Back-Office in Belgium. In 2008 Tom was appointed General Manager of Insurance Distribution, responsible for the insurance agency network and sales in Belgium.

In 2015 Tom returned to the IT domain as Chief Technology Officer, responsible for all datacentres of KBC Group and IT infrastructure support to all Group countries. In 2017 he became the COO of KBC Bank Ireland, responsible for Operations, IT and the Digital Transformation departments. At the end of 2019 he transitioned into the role of General Manager of the International Markets Business Unit in KBC Group, responsible as senior programme director for business and IT transformation. Tom De Witte was appointed Non-Executive Director of KBC Bank Ireland on 1st September 2019.



## **Kevin Cardiff**

### **Independent Non-Executive Director**

Kevin Cardiff became an Independent Non-Executive Director of KBC Bank Ireland in September 2018. He has previously been a senior government official and Secretary General of the Irish Department of Finance, where he was centrally involved in measures to support the banking system and to protect the economy during the worst periods of the financial crisis. He subsequently served a six year term of office as a member of the European Court of Auditors, on the nomination of the Irish Government. He was responsible for a range of audit products, including in relation to the ECB and the Single Resolution Board, and also had various internal management and governance responsibilities.

Mr. Cardiff has been a member of the governing board of the Central Bank of Ireland (“the Commission”), a director and alternate director on the European Investment Bank’s board of directors and a member of the advisory board of the National Treasury Management Agency, Ireland’s national debt management agency, as well as of other high level steering groups and similar bodies. He served for three years as chairperson of the Board of Auditors of the European Stability Mechanism. He also has some other pro-bono roles. Mr. Cardiff was educated at the University of Washington, in Seattle (BA), and at University College Dublin (Master of Business Studies), and is an occasional speaker on economic, management, financial and budgetary matters. He is the author of an account of the financial crisis as it affected Ireland, entitled ‘Recap: Inside Ireland’s Financial Crisis’ (published in 2016).



## **David Browne**

### **Independent Non-Executive Director**

David Browne has over 35 years’ experience in debt capital markets, treasury and investor relations. Prior to joining KBC Bank Ireland as an Independent Non-Executive Director in December 2018, he was on the board of CYBG PLC – owner of Clydesdale and Yorkshire Banks where he was a member of the Board’s Audit, Risk and Remuneration Committees between 2012 and 2018. He was previously Head of Group Funding and External Relations at Man Group PLC and spent a significant part of his career at JP Morgan where he held the positions of Assistant Vice President, Vice President and Managing Director. He started his career with IDA Ireland. David is a founding partner of Pinnacle Partners Limited, a treasury consulting firm. He is Chairperson of the Audit Committee.



**Michael O'Donovan**  
**Independent Non-Executive Director**

Michael O'Donovan was appointed as an Independent Non-Executive Director of KBC Bank Ireland in May 2019. He has over twenty five years leadership experience in the international technology sector. He is currently head of Customer Success at Dropbox and previously was Chief Operating Officer at a FinTech company with a global presence. Over a period of fifteen years, he held a number of senior roles in Licensing, Channel and Customer Operations at Microsoft. He has always been a strong advocate for customers and he recognizes the importance of creating and protecting great culture. In 2016 he was appointed by the Minister for Arts and Heritage to the board of the National Concert Hall in Ireland. In this capacity he chaired a board committee on Strategic HR and was a member of the Audit and Risk Committee. Mr O'Donovan has a BA in Economics and Psychology, post graduate diplomas in Management, Accounting and Finance, and an MBA. He is a member of the Institute of Directors and is a Chartered Director.



**Damian O'Neill**  
**Company Secretary**

Damian O'Neill was appointed the Company Secretary of KBC Bank Ireland in January 2010. He joined the Bank in 1990 as a qualified Chartered Accountant and has held a number of positions within the Bank, including in Finance, Risk Management and Compliance. He is the Secretary to the Board and the sub-committees of the Board and assists the Chairperson and Board on corporate governance matters. He is Secretary to the Executive Committee and leads the department which looks after Taxation, Company Secretarial and Corporate Governance matters. Damian previously worked in PwC and in Australia in the mining and financial services sectors. He has over 10 years' experience as a non-executive director in insurance and financial companies, and is a Fellow of the Institute of Chartered Accountants in Ireland, a member of the Institute of Directors, the Association of Compliance Officers in Ireland and the Corporate Governance Association of Ireland. He is a Law graduate of UCD and holds a diploma in Corporate Governance from UCD.

# Executive Committee Members



## Lavinia Morris

### Chief Operations Officer

Lavinia Morris was appointed Chief Operations Officer at KBC Bank Ireland in September 2019. Prior to this, Lavinia held the position of Senior Vice President of Information and Technology at SMBC Aviation Capital, one of the world's largest aircraft leasing companies. Before joining SMBC in 2014, Lavinia held various senior Technology and Operations positions in Friends First Group, Fujitsu and AIB. She is a graduate of Electronic Engineering from the National University of Ireland Galway (NUIG). Lavinia is actively involved in the technology industry in Ireland, serving as a member for the Technology Ireland ICT SkillNet Innovation Forum Expert Group and former Chair of the Cloud Computing Working Group of the Irish Internet Association. Lavinia is KBC Bank Ireland's representative on the Board of Irish Banking Culture Board CLG and on the Board of the recently established Synch Payments DAC.



## Jo Reynaerts

### Chief Commercial Officer

Jo Reynaerts was appointed as Chief Commercial Officer in KBC Bank Ireland at the beginning of 2020. Jo studied commercial engineering and started her career as academic researcher in the Catholic University of Leuven (KUL). In 2001 she switched to consultancy within EDS (now HP/DXC). After this, she started a career in financial services in KBC Group where she went from Financial Engineer in KBC Asset Management to Head of Private Banking in 2010. In 2016, she took up the challenge of transforming KBC into the digital age, in her role as advisor to the Chief Innovation Officer. In 2018, Jo was appointed as Head of Transformation & Customer Experience in KBC Belgium.

# Financials

## Summary Consolidated Statement of Profit or Loss

For year ended 31 December 2021

	2021 €'000	2020 €'000
Operating (loss)/profit before impairments and corporation tax	(12,550)	32,841
Impairment charge on financial assets	(149,338)	(89,783)
Impairment charge on non-financial assets	(31,265)	(1,653)
Operating loss before corporation tax	(193,153)	(58,595)
Corporation tax (charge)/credit	(48,970)	3,238
Loss for the year	(242,123)	(55,357)

# Summary Consolidated Statement of Financial Position

As at 31 December 2021

	2021 €'000	2020 €'000
<b>Equity</b>		
Ordinary share capital	1,034,865	1,034,865
Capital conversion reserve fund	647	647
Share premium	10,922	10,922
Reserves	(106,952)	123,351
<b>Total Equity</b>	<b>939,482</b>	<b>1,169,785</b>
<b>Liabilities</b>		
Parent and other bank funding	5,783,047	6,135,075
Deposits from customers	940,062	5,038,989
Other liabilities	261,082	227,059
	<b>6,984,191</b>	<b>11,401,123</b>
Liabilities held for sale	4,261,952	
<b>Total Liabilities</b>	<b>11,246,143</b>	<b>11,401,123</b>
<b>Total Equity and Liabilities</b>	<b>12,185,625</b>	<b>12,570,908</b>
<b>Assets</b>		
Balances with banks and money at call or short notice	1,995,365	1,084,696
Investment securities	-	1,217,800
Loans & advances to customers	2,764	9,947,167
Other assets	111,133	181,630
Fixed assets	77,983	139,615
	<b>2,187,245</b>	<b>12,570,908</b>
Assets held for sale	9,998,380	
<b>Total Assets</b>	<b>12,185,625</b>	<b>12,570,908</b>

## Directors' Statement

These non-statutory financial statements, comprising the Summary Consolidated Statement of Profit or Loss and Summary Consolidated Statement of Financial Position, are not the statutory financial statements of KBC Bank Ireland plc ("the Bank"). These non-statutory financial statements are prepared for the purposes of compliance with Section 20 of the Central Bank Act, 1971, using the information contained in the Bank's statutory financial statements. The statutory financial statements for 2021 will be annexed to the annual return and delivered to the Registrar before the end of October 2022. The statutory auditors of the Bank have made a report under section 391 in the form required by section 336 in respect of the statutory financial statements of the Bank for 2021. The matters referred to in the statutory auditors' report were unqualified, and the statutory auditors' report did not include a reference to any matters to which the statutory auditors drew attention by way of emphasis without qualifying the report.

Approved by the Board of Directors on 30 March 2022

**Peter Andronov** Chairman  
**Aleš Blažek** Chief Executive

**Frank Jansen** Chief Financial Officer  
**Damian O'Neill** Company Secretary



# Auditors' Report

## Report of the Independent Auditor to the Members of KBC Bank Ireland plc on the Summary Non-statutory Financial Statements for the year ended 31 December 2021

### Our Opinion

In our opinion, the accompanying Summary Non-statutory Financial Statements of KBC Bank Ireland plc are consistent, in all material respects, with the audited financial statements in accordance with section 20 of the Central Bank Act 1971.

### Summary Non-statutory Financial Statements

The Summary Non-statutory Financial Statements on pages 14 and 15, which comprise solely of the Summary Consolidated Statement of Financial Position as at 31 December 2021 and the Summary Consolidated Statement of Profit or Loss for the year then ended are derived from the audited financial statements of KBC Bank Ireland plc for the year ended 31 December 2021.

The Summary Non-statutory Financial Statements do not contain all disclosures required by International Financial Reporting Standards as adopted in the European Union and Irish law. Reading the Summary Non-statutory Financial Statements and the auditors' report thereon, therefore, is not a substitute for reading the audited financial statements and the auditors' report thereon. The Summary Non-statutory Financial Statements and the audited financial statements, do not reflect the effects of events that occurred subsequent to the date of our report on the audited financial statements.

### The Audited Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited financial statements of KBC Bank Ireland plc for the year ended 31 December 2021 in our report dated 30 March 2022. That report also includes the communication of key audit matters. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the audited financial statements of the current period.

### Directors' Responsibility for the Summary Non-Statutory Financial Statements

The Directors are responsible for the preparation of the Summary Non-statutory Financial Statements in accordance with the requirements of section 20 of the Central Bank Act 1971.

### Auditors' Responsibility

Our responsibility is to express an opinion on whether the Summary Non-statutory Financial Statements are consistent in all material respects with the audited financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810, "Engagements to Report on Summary Financial Statements."

This report, including the opinion, has been prepared for and only for KBC Bank Ireland plc's members as a body in accordance with section 20 of the Central Bank Act 1971 and for no other purpose. 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  
Dublin  
30 March 2022

# Corporate Governance

## Corporate Governance

Commitment to integrity is a cornerstone of our mission statement. KBC Bank Ireland plc ('The Bank') is committed to maintaining the highest standards of corporate governance, ethics, business integrity and professionalism in all of our activities. These standards are embedded in the corporate culture, reflected in our Responsible Behaviour Framework, and reinforced through continuing communication and training.

The Bank is subject to the Central Bank of Ireland's Corporate Governance Requirements for Credit Institutions 2015 ("Corporate Governance Requirements") (which is available on [www.centralbank.ie](http://www.centralbank.ie)) and as the Bank is designated as a "High Impact" institution, the Bank is required to comply with the additional obligations set out in Appendix I of the Corporate Governance Requirements.

The Board believes it has taken measures to put in place robust governance arrangements within the Bank, including a clear organisational structure with well defined, transparent and consistent lines of responsibility, effective processes to identify, manage, monitor and report the risks to which it is or might be exposed, adequate internal control mechanisms, including sound administrative and accounting procedures, IT systems and controls, and remuneration policies and practices that are consistent with and promote sound and effective risk management. The Bank's system of governance assists in promoting an appropriate risk and compliance culture within the Bank.

## Role of the Board

The Board is the principal decision making forum for the Bank and is responsible to the Shareholder and other stakeholders for the leadership, direction and control of the Bank. It establishes the strategic objectives, corporate values and ethical standards that drive the activities of the Bank.

## Audit Committee

The Audit Committee assists the Board by supervising the integrity, efficiency and effectiveness of the internal control measures in place and monitoring the effectiveness and adequacy of the Bank's internal audit function. The Audit Committee also assists the Board in relation to the financial reporting obligations of the Bank. The Audit Committee is comprised of non-executive directors, the majority of whom are independent.

## Risk and Compliance Committee

The Risk and Compliance Committee assists the Board in discharging its responsibilities of ensuring that risks are properly identified, reported, assessed and controlled and that the Bank's strategy is consistent with the Bank's risk appetite. The Risk and Compliance Committee also assists the Board by supervising compliance with laws, regulations, ethics and fraud policies. The Risk and Compliance Committee is comprised of non-executive directors.

## Internal Control and Risk Management

The Board acknowledges its overall responsibility for the Bank's system of internal control and for reviewing its effectiveness. The Board has established a process for the identification, evaluation and management of the significant risks faced by the Bank, and regularly reviews this process. Line management has primary responsibility for risk management. It ensures that risk management relating to the business is embedded in the business through policies and procedures. The Bank has also established a specialised Risk Oversight Committee to monitor and assess significant risks, including business, operational, financial and compliance risks, and to review the effectiveness of internal control.

# About KBC

KBC is one of the leading financial groups in Europe. It is a multi-channel bank-insurance group with a geographic focus on Europe, catering mainly to retail clients, SMEs and local midcaps. The group occupies significant, and in many cases leading positions in its core markets. The KBC Group has also selectively established a presence in a number of other countries and regions around the world. KBC Bank Ireland plc have been providing banking services in Ireland for over 45 years.

## Company Information

### KBC Bank Ireland plc

<b>Share Capital</b>	<b>€'000</b>
Authorised	3,000,000
Issued Ordinary	1,034,865
Held by KBC Group	100%

### Registered Office

Sandwith Street,  
Dublin 2.  
Registered in the Republic of Ireland  
Number 40537  
Tel: (353 1) 664 6000  
Fax: (353 1) 664 6099  
Email: [firstname.surname@kbc.ie](mailto:firstname.surname@kbc.ie)  
Swift Code ICON IE2D  
Website: [www.kbc.ie](http://www.kbc.ie)

### Auditors

PwC,  
One Spencer Dock,  
North Wall Quay,  
Dublin 1.

### Solicitors

Arthur Cox,  
Arthur Cox Building,  
Earlsfort Terrace,  
Dublin 2.

### KBC Fund Management Limited

Sandwith Street,  
Dublin 2.  
Tel: (353 1) 514 8800  
Fax: (353 1) 514 8701  
Email: [firstname.surname@kbcfm.com](mailto:firstname.surname@kbcfm.com)

### KBC Bank NV, Dublin Branch

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Fax: (353 1) 664 6099  
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### KBC Asset Management NV, Dublin Branch

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