

Europe Arab Bank plc (Company Registration 5575857) Country by country reporting as at 31 December 2020

Principal activities and location

Europe Arab Bank (“EAB”) plc is an authorised credit institution and provides a wide range of Banking and financial services including Corporate & Institutional Banking (“CIB”), Private Banking and Treasury services.

EAB is headquartered in London, United Kingdom, and provides services to its clients through the following branches in addition to London:

- Paris and Cannes, France
- Frankfurt, Germany
- Milan, Italy

Subsidiaries

EAB has the following subsidiaries incorporated and located in England and Wales:

- 13-15 Moorgate No. 1 Limited
- 13-15 Moorgate No. 2 Limited
- EAB Client Assets Nominee Limited

Europe Arab Bank SA is incorporated and located in France.

Turnover

The Net Operating Income of EAB for the year ended 31 December 2020 was €36,047,629 and includes net interest & similar income, net fees & commission income, net trading gains and other operating income.

Average number of employees

The average number of permanent employees was 138 for the year ended 31 December 2020.

Country-by-country breakdown (Audited)

Country	Type of operations	Turnover* €'000	Operating profit / (loss) before taxation €'000	Net corporation tax repayment €'000	Average number of Full Time Employees	Government subsidies received €'000
United Kingdom	CIB, Private Banking and Treasury	29,709	1,217	-	112	-
France	CIB and Private Banking	3,572	(2,466)	-	16	-
Germany	CIB	1,980	(552)	(560)	6	-
Italy	CIB	787	(655)	270	3	-
Grand Total		36,048	(2,455)	(290)	138	-

The above information is on a consolidated basis, inclusive of subsidiaries. The annual audited financial statements as published are on a company only basis.

‘Turnover’ and ‘Operating profit/(loss) before taxation’ are based on consolidated financial information prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006.

**Turnover is defined as total income before impairment and operating expenses and includes net interest & similar income, net fees & commission income, and net trading gains and other operating income.*

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF EUROPE ARAB BANK PLC

Opinion

We have audited the country-by-country schedule ('the Schedule') of Europe Arab Bank Plc ('the Company') for the year ended 31 December 2020.

In our opinion the country-by-country information, labelled as audited in the Schedule, of the Company as at 31 December 2020 is prepared, in all material respects, in accordance with the requirements of The Capital Requirements (Country-by-Country Reporting) Regulations 2013 ('the Regulations').

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Schedule section of our report below.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the Schedule in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Basis of Accounting and Restriction on Use

The Schedule is prepared to assist the Company in meeting the requirements of the Regulations. As a result the Schedule may not be suitable for another purpose. This report is made solely to the Company's directors, as a body, in accordance with our engagement letter dated 25th March 2021. 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. Our opinion is not modified in respect of this matter.

Conclusions relating to going concern

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

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 to 8th October 2022 being 12 months from when the Schedule 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. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Other information

The other information comprises the information included in the Schedule, other than the audited information in the Schedule and our auditor's report thereon. The directors are responsible for the other information contained within the Schedule.

Our opinion on the country by country information does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the Schedule, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Schedule or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the Schedule or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Schedule

Management is responsible for the preparation of the Schedule in accordance with the Regulations, for the appropriateness of the basis of preparation and the interpretation of the Regulations as they affect the preparation of the Schedule, and for such internal control as management determines is necessary to enable the preparation of a Schedule that is free from material misstatement, whether due to fraud or error.

In preparing the Schedule, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating 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.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Schedule

Our objectives are to obtain reasonable assurance about whether the Schedule 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 (UK) 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 Schedule.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

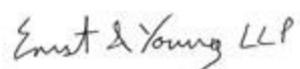
Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Bank and determined that the most significant are Companies Act 2006, Financial Services and Markets Act 2000, Financial Services Act 2012, Capital Requirements Regulation, Markets in Financial Instruments Directives (MifID 1 and 2), and relevant Prudential Regulation Authority and Financial Conduct Authority regulations.
- We understood how the Bank complies with those frameworks by making enquiries of management, internal audit, and those responsible for legal and compliance matters. We also reviewed correspondence between the Bank and UK regulatory bodies, reviewed minutes of

the Board, the Board Audit & Risk Committee, and the executive committee, and gained an understanding of the Bank's approach to governance demonstrated by the Board's approval of the EAB risk management framework and the internal controls processes.

- We assessed the susceptibility of the Bank's financial statements to material misstatement, including how fraud might occur by considering the controls that the Bank has established to address risks identified by the Bank, or that otherwise seek to prevent, deter, or detect fraud. We also considered performance incentives and their potential to influence management to manage earnings.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures included inquiries of management, internal audit, and those responsible for legal and compliance matters; as well as focused testing as referred to in the Key Audit Matters section above. In addition, we performed procedures to identify significant items inappropriately held in suspense and tested journal entries with a focus on manual journals and journals indicating large or unusual transactions based on our understanding of the business.
- As the audit of a bank requires specialised audit skills, the senior statutory auditor considered the experience and expertise of the audit team to ensure that the team had the appropriate competence and capabilities and included the use of specialists.

A further description of our responsibilities for the audit of the Schedule is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.



Ernst & Young LLP
London

16 November 2021