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# Dell Bank International

Designated Activity Company (d.a.c.)

Country by Country Reporting

For the year ended 31 December 2022

## Introduction

Dell Bank International D.A.C (“DBI”) is a designated activity company incorporated and domiciled in the Republic of Ireland. DBI is subject to the requirements of the Capital Requirements Directive 2013/36/EU (CRD) and the Capital Requirements Regulation EU 575/2014 (CRR), together known as CRD IV. Under this directive, DBI is required to disclose Country-by-Country Reporting which has been transposed into Irish Legislation under Regulation 77 of Statutory Instrument 158 of 2014.

A special purpose vehicle (“SPV”), Dell Receivables Financing 2016 Designated Activity Company (d.a.c.), was incorporated on 9 September 2016 as part of a securitisation structure.

In accordance with Article 13 (2) of the CRR, the disclosures laid out in this document are on a fully consolidated basis. These disclosures relate to DBI, its SPV and its branch in Spain.

## Basis of Preparation

The Banks’ regulatory banking license requires both Dell Bank International D.A.C (Solo basis; includes the SPV) and the Parent Company, DFS B.V., (Consolidated basis) to file regulatory returns with the Central Bank for the purpose of assessing, inter alia, their capital adequacy and balance sheets. The Audited Financial Statements are presented at Dell Bank International D.A.C. level and therefore scope of application differs to the Pillar III requirements; where DFS B.V. is included. DFS B.V.’s sole purpose is to act as a holding company for DBI. Unlike the Pillar III disclosures, DBI solo FINREP is prepared on the same basis as the Financial Statements. The qualitative information below has been presented for DBI.

Table 1 below presents turnover, average number of employees, profit before tax, income tax charge, income tax paid and public subsidies received based on the geographic locations in which DBI operates.

These disclosures have been prepared utilising the Annual Financial Statements of DBI which have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as adopted by the European Union (“EU”).

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 the 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 Bank’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 Bank or to cease operations, or have no realistic alternative but to do so.

## Turnover

Turnover consists of net interest income, net fee and commission income, operating lease income, syndication income and other income from end of lease activities generated by DBI, as part of its principal business activities.

## Employees

Represents the average number of full time equivalent employees during the year. Activities performed by employees seconded from other group companies are recharged to the other group companies based on underlying company recharge policies.

## Taxation

Income tax paid represents total corporation tax payments (net of tax refunds) made during the year ending 31 December 2022. Payments made were in relation to the corporation tax liabilities for the year ended 31 December 2022 and year ended 31 December 2021. Refunds were in respect of the year ended 31 December 2019. Payments were made by DBI to the relevant tax authorities in the countries disclosed in table 1.

Income tax charge represents the current tax income/expense for the year. The tax charge figure includes current tax expense but does not include deferred taxes.

## Public Subsidies Received

Public subsidies are defined to be direct support by the government. It does 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. General tax incentives or schemes in line with the European Commission's guidance on State Aid do not fall within the definition of public subsidy for the purposes of Country- by-Country Reporting.

DBI received no public subsidies during 2022.

DBI's principal activity is the provision of financing solutions to end users of products and services sold by Dell entities in Europe.

The Spain Branch supports the execution of DBI's business strategy through the provision of services that include relationship management, conduct of origination activity and provision of customer support services.

**Table 1:**

**Country-by-Country Reporting - Dell Bank International D.A.C.**  
**For the year ended 31 December 2022**  
**EUR thousands**

	<b>DBI Ireland</b>	<b>DBI Spain</b>	<b>DBI Total</b>
Turnover <sup>1</sup>	310,253	14,324	324,577
Average no. of employees	170	-	170
Profit/(Loss) before income tax	84,413	(580)	83,833
Income tax (charge)/credit	(11,872)	(161)	(12,033)
Income tax paid/ (refund)	14,230	423	14,653
Public subsidies received	-	-	-

**Note:**

<sup>1</sup> Turnover consists of net interest income and other operating income (operating lease income, net fee and commission income, other income from end of lease activities and syndication income).

DBI has no subsidiaries or establishment outside the Republic of Ireland, except for a branch in Spain.



Director

29<sup>th</sup> March 2023

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Dell Bank International d.a.c., trading as Dell Financial Services, is regulated by the Central Bank of Ireland. Registered in Ireland Number: 502362. Registered Office Address: Innovation House, Cherrywood Science & Technology Park, Cherrywood, Dublin 18, Ireland. Directors: Róisín Brennan, Marie Mangan, Julie Murphy-O'Connor, Hugh O'Donnell, Daniel Twomey, Tyler Johnson II (American) and William Wavro (American).

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## ***Independent auditors' report to the directors of Dell Bank International Designated Activity Company (the "Bank")***

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

#### **Opinion**

In our opinion, Dell Bank International Designated Activity Company's Country-by-Country Reporting Schedule for the year ended 31 December 2022 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 2022 which comprises the Country by Country reporting for the year ended 31 December 2022, 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 Bank 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 Bank'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; and
- Understanding and evaluating the Bank's financial forecasts and the Bank's stress testing of liquidity and regulatory capital. In evaluating these forecasts, we considered the Bank's financial position, historic performance, its past record of achieving strategic objectives and management's assessment of the forecasted financial performance, capital and liquidity for a period of 12 months from the date on which the Country-by-Country Reporting Schedule is authorised for issue.

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 Bank'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 Bank'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.



## **Reporting on other information**

The other information comprises all of the information in the Country by Country Reporting Schedule other than the Country-by-Country Reporting Schedule and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the Country-by-Country Reporting Schedule does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance thereon.

In connection with our audit of the Country-by-Country Reporting Schedule, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Country-by-Country Reporting Schedule or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the Country-by-Country Reporting 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 this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

## **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 the 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 Bank'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 Bank 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the Bank and its industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of banking laws and regulations, including license conditions and supervisory requirements of the Central Bank of Ireland, and we considered the extent to which non-compliance might have a material effect on the Country-by-Country Reporting Schedule. We also considered those laws and regulations that have a direct impact on the preparation of the Country-by-Country Reporting Schedule such as the Companies Act 2014 and tax legislation. We evaluated management's incentives and opportunities for fraudulent manipulation of the Country-by-Country Reporting Schedule (including the risk of override of controls), and determined that the principal risks were related to the potential for manual journal entries being recorded in order to affect performance and management bias in judgements and assumptions in respect of significant accounting estimates.

Audit procedures performed by the engagement team included:

- Enquiries of management including the Head of Legal, Chief Risk Officer, Compliance Officer, Head of Tax and those charged with governance as to any known or suspected instances of non-compliance with laws and regulations or fraud;
- Inspection of Board minutes;
- Inspection of relevant correspondence with the Central Bank of Ireland;
- Challenging assumptions and judgements made by management in their significant accounting estimates in particular in relation to the expected credit loss provision;
- Incorporating an element of unpredictability into the nature, timing and/or extent of our testing; and
- Applying risk-based criteria to all manual journal entries posted in the audit period to determine journal entries for testing purposes.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the





Country-by-Country Reporting Schedule. Also, 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.

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](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 Bank'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*

PricewaterhouseCoopers  
Chartered Accountants and Statutory Auditors Dublin  
29 March 2023