

# Citibank Europe PLC

## Country by Country Reporting YE 2014

# Citibank Europe PLC (CEP) Audit Report

## INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF CITIBANK EUROPE PLC

We have audited the accompanying Country-by-Country ("CBC") financial information of Citibank Europe plc as at year ended 31 December 2014 pursuant to the European Union (Capital Requirements) Regulations, 2014 ("the Regulation") which is required to be audited by Article 77 of those Regulations. The CBC financial information set out on page 6 to 7 (collectively "the CBC financial information"), is prepared on a consolidated basis. The financial reporting framework that has been applied in the preparation of the CBC financial information is Irish law and International Financial Reporting Standards (IFRS) as adopted by the European Union.

### **1 Our opinion on the CBC financial information is unmodified**

In our opinion the CBC financial information as at 31 December 2014:

- is prepared in all material respects in accordance with the basis of preparation set out on page 4 to 5; and
- discloses the items of CBC financial information required to be published, having applied the relevant principles of IFRS as adopted by the EU, by Article 77 of the European Union (Capital Requirements) Regulations, 2014.

### **2 Our opinion on the CBC financial information is accompanied by an emphasis of matter – basis of preparation**

In forming our opinion on the CBC financial information, which is unmodified, we have considered the adequacy of the disclosure made in the basis of preparation concerning the definitions applied by the Company to the items of CBC financial information required to be published. Article 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 to the items of CBC financial information which, other than as set out in the basis of preparation, are consistent with the definitions of those items in accordance with IFRS as adopted by the EU and of those items in the Company's annual statutory financial statements.

#### **Basis of our report, responsibilities and restrictions on use**

The directors are responsible for the preparation and fair presentation 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, and for such internal control as management determines is necessary to enable the preparation of the CBC financial information that is free from material misstatement, whether due to fraud or error.

Our responsibility is to audit and express an opinion on the CBC financial information in accordance with Irish law and International Standards on Auditing. Those standards require us to comply with the independence and other ethical requirements of the *Code of Ethics for Members* issued by the Institute of Chartered Accountants in Ireland and plan and perform the audit to obtain reasonable assurance about whether the financial information is free from material misstatement.

An audit undertaken in accordance with ISAs involves obtaining evidence about the amounts and disclosures in the CBC financial information. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statement, whether caused by fraud or error.

In making those assessments, we consider internal controls relevant to the entity's preparation and fair presentation of the CBC financial information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, made by management, as well as evaluating the overall presentation of the CBC financial information.

# Citibank Europe PLC (CEP) Audit Report

## INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF CITIBANK EUROPE PLC (continued)

Whilst an audit conducted in accordance with ISAs is designed to provide reasonable assurance of identifying material misstatements or omissions it is not guaranteed to do so. Rather the auditor plans the audit to determine the extent of testing needed to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements does not exceed materiality for the CBC financial information as a whole. This testing requires us to conduct significant audit work on a broad range of the financial information as well as devoting significant time of the most experienced members of the audit team, in particular the engagement partner responsible for the audit, to subjective areas of the accounting and reporting.

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 section 77 of the European Union (Capital Requirements) Regulation, 2014. Our audit work has been undertaken so that we might state to the Company's members 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.

22 January 2016

  
Jonathan Lew  
for and on behalf of  
KPMG

Chartered Accountants, Statutory Audit Firm  
1 Harbourmaster Place  
IFSC  
Dublin 1

# Citibank Europe PLC (CEP) Basis of Preparation

---

## **Basis of Preparation:**

Table 1 on page 7 below presents CEP's turnover, average number of employees, profit or loss before tax, tax on profit and public subsidies received based on the geographic locations in which CEP operates. These disclosures have been prepared in conjunction with and based on the 2014 Annual Financial Statements of CEP which have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU.

## **Overview of the table:**

Table 1 on page 7 presents the Company's turnover, number of employees, profit and loss before tax, tax on profit or loss and public subsidies received. Set out below are the definitions which have been applied in preparing the information within Table 1.

### **Turnover:**

Turnover represents total operating income, which comprises net interest income, net fee and commission income, net trading income, dividend income and other operating income.

### **Employees:**

This represents the average number of Full Time Equivalents being full and part time employees but excluding any agency and contracting staff.

### **Profit and Loss before Tax:**

Profit and loss before tax is reported in a manner consistent with that included in the 2014 Annual Financial Statements.

# Citibank Europe PLC (CEP) Basis of Preparation (continued)

---

## **Tax on profit:**

Tax on profit or loss represents the tax expense recognised within the income statement and does not reflect the actual amount of corporation tax paid. Included within the tax on profit or loss is both current tax and deferred tax.

## **Public Subsidies Received:**

Subsidies received is considered a direct transfer of funds, such as a grant from a state body.

# Citibank Europe PLC (CEP) Nature of activities

---

Citibank Europe Plc. (CEP) is a licenced credit institution authorised by the Central Bank of Ireland (CBI) and is headquartered in Ireland. Pursuant to its authorisation by the CBI, CEP has passported under the European Union's(EU) Banking Consolidation Directive and accordingly is permitted to conduct a broad range of banking and financial-services activities across the EEA through branches and on a cross border basis.

The Company's overseas passported branches are located in Bulgaria, Czech Republic, Hungary, Romania and Slovakia. In addition to the overseas passported branches, CEP has a branch in Poland that provides key operation and technology support services to other Citigroup affiliates.

A Country by Country Reporting (CBCR) obligation was introduced through Article 89 of the EUR Directive 2013/36/EU, otherwise known as the Capital Requirements Directive IV (CRD IV). CEP is required on a standalone basis to report the following information for each period of account.

# Citibank Europe PLC (CEP) CBC Report

Table 1. (000's – USD)

	CEP Ireland	CEP Czech	CEP Hungary	CEP Romania	CEP Slovakia	CEP Bulgaria	CEP Poland	CEP Total
Branch Name	Citibank Europe plc Ireland	Citibank Europe plc Czech Republic	Citibank Europe plc Hungary	Citibank Europe plc Romania	Citibank Europe plc Slovak Republic	Citibank Europe plc Bulgaria	Citibank Europe plc Poland	Citibank Europe plc
Turnover (000's)	1,077,966	188,671	206,661	131,595	17,680	15,973	1,235	1,639,781
Number of employees	1,657	779	1,016	223	57	61	368	4,161
Profit or loss before tax (000's)	545,377	70,496	30,167	98,849	1,179	8,794	2,825	757,687
Tax on profit or loss (000's)	80,687	10,658	6,079	14,728	602	957	714	114,425
Public subsidies received (000's)	528	-	-	-	-	-	-	528

