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# Country by Country Reporting YE 2017

## Citibank Europe Plc

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

### **Opinion**

We have audited the accompanying Country-by-Country ("CBC") financial information of Citibank Europe plc as at year ended 31 December 2017 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 pages 4 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.

In our opinion, the CBC financial information as at 31 December 2017:

- is prepared in all material respects in accordance with the basis of preparation set out on pages 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.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the Schedule of Contributions in Ireland, including the Code of Ethics for Members issued by the Institute of Chartered Accountants in Ireland and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

### **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 on pages 4 to 5 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, as applicable, to the items of CBC financial information which 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.



Independent Auditor's Report  
Citibank  
04 July 2018

## **Responsibilities of the directors for the CBC financial information**

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.

In preparing the CBC financial information, 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 they 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 CBC financial information**

Our objectives are to obtain reasonable assurance about whether the CBC financial information 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 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 the CBC financial information.

Further details relating to our work as auditor is set out in the Scope of Responsibilities Statement contained in the appendix to this report, which is to be read as an integral part of our report.

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.

KPMG

04 July 2018

# Citibank Europe PLC (CEP) Basis of Preparation

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Article 89 of the CRD requires credit institutions to disclose certain information on a branch by branch basis.

## **Basis of Preparation:**

Table 1 on page 6 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 2017 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 6 presents the CEP'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 2017 Annual Financial Statements.

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

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**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

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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 Austria, Belgium, Bulgaria, Czech Republic, Denmark, Finland, France, Greece, Hungary, Italy, Luxembourg, Netherlands, Norway, Portugal, Romania, Slovakia, Spain, Sweden and the United Kingdom. In addition to the overseas passported branches, CEP has two branch in Poland and Hungary which provide 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) Country-by-Country Report 31 December 2017

	Turnover \$ 000	Number of employees	Profit or loss before tax \$ 000	Tax on profit or loss \$ 000	Public subsidies received \$ 000
Austria	2,759	8	(3,299)	97	-
Belgium	9,282	16	1,348	14,420	-
Bulgaria	11,800	51	3,303	(280)	-
Czech	80,443	272	24,754	(6,828)	-
Denmark	12,891	13	7,987	(1,447)	-
Finland	9,715	15	4,884	(771)	-
France	52,164	85	2,179	(7,746)	-
Greece	33,117	105	3,221	1,833	-
Hungary	188,573	1,950	41,550	(6,760)	628
Ireland	914,217	1,737	416,276	(44,304)	229
Italy	2,854	-	2,393	1	-
Luxembourg	54,038	148	12,787	(3,785)	50
Netherlands	28,059	62	2,408	(12,812)	-
Norway	11,317	11	6,126	(366)	-
Poland	157,863	3,793	(25,074)	250	-
Portugal	11,179	23	(3,650)	289	-
Romania	76,033	194	49,625	(8,647)	-
Slovakia	19,693	53	5,910	(748)	-
Spain	43,265	141	2,519	(4,751)	-
Sweden	25,177	62	(2,751)	3	-
United Kingdom	322,750	176	194,639	(64,763)	-
	<b>2,067,189</b>	<b>8,915</b>	<b>747,135</b>	<b>(147,115)</b>	<b>907</b>