

# Country by Country Reporting YE 2015

Citigroup Global Markets Limited

# Citigroup Global Markets Limited (CGML) Independent Auditor's Report

## INDEPENDENT AUDITOR'S REPORT TO CITIGROUP GLOBAL MARKETS LIMITED (The Company)

We have audited the accompanying Country by Country Reporting information ('CBCR Information') as at and for the year ended 31 December 2015, which has been prepared based on the requirements of the Capital Requirements (Country-by-Country Reporting) Regulations 2013 as interpreted by the Directors of the Group as set out in Note 1: Basis of preparation. This report is made solely to the Company, in accordance with the agreed terms of our engagement. Our audit work has been undertaken so that we might state to the Company those matters we have agreed to state to it in this report, and to facilitate the Company's compliance with the requirement for audit of the Company's CBCR Information set out in Regulation 2(7) of the Capital Requirements (Country-by-Country Reporting) Regulations 2013, 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 for our audit work, for this report, or for the opinions we have formed.

### Directors' responsibilities for the CBCR Information

The Directors of the Company are responsible for the preparation of the CBCR Information in accordance with, and for interpreting the requirements of, the Capital Requirements (Country-by-Country Reporting) Regulations 2013, for determining the acceptability of the basis of preparation as set out in note 1, and for such internal control as the Directors determine is necessary to enable the preparation of CBCR Information that is free from material misstatement, whether due to fraud or error.

### Auditor's responsibilities

Our responsibility is to express an opinion on the CBCR Information based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the CBCR Information is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the information being audited. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation of the information being audited in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, made by the Directors, as well as evaluating the overall presentation of the information being audited.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the CBCR Information as at and for the year ended 31 December 2015 has been properly prepared, in all material respects, in accordance with the requirements of the Capital Requirements (Country-by-Country Reporting) Regulations 2013 as interpreted by the Directors as set out in the basis of preparation section of this document.

### Basis of preparation

Without modifying our opinion, we draw attention to Note 1 to the CBCR Information, which describes the basis of preparation. The CBCR Information has been prepared for the purposes of the Capital Requirements (Country-by-Country Reporting) Regulations 2013 and may not be suitable for another purpose.



Richard Faulkner  
for and on behalf of KPMG LLP  
Chartered Accountants  
15 Canada Square, London, E14 5GL

Date: 26 April 2016

# Citigroup Global Markets Limited Nature of activities

Citigroup Global Markets Limited (The Company) is headquartered in London and operates globally, generating the majority of its business from the EMEA region, with the remainder coming from business executed with clients in Asia and the Americas.

The Company has eight branch offices and five subsidiaries. The Company's branches in the European Union (EU) were established under the 1993 Investment Services Directive, which has been superseded by the 2005 Markets in Financial Instruments Directive (MiFID). These passported branches are located in the Czech Republic, France, Ireland, Italy, and Spain. The Company has made notifications to the PRA to conduct cross-border MiFID services into all European Economic Area (EEA) states. Additionally, the Company has non-EU branches in Dubai, Israel and Switzerland as well as subsidiaries in Luxembourg, Monaco and South Africa.

## EU Branches

- France
- Greece (de registered November 2015)
- Ireland
- Italy
- Spain
- Sweden (closed in November 2015)
- Czech Republic (no activity)
- Slovak Republic (closed in January 2015)\*

## Non-EU branches

- Switzerland
- Dubai
- Israel

## Subsidiaries \*

- Citigroup Global Markets Luxembourg LLC (Luxembourg)
- Citigroup Global Markets Funding Luxembourg SCA (Luxembourg)
- Citigroup Global Markets Funding Luxembourg S.a.R.L. (Luxembourg)
- Citi Global Wealth Management S.A.M (Monaco)
- Citigroup South Africa Credit Products (Proprietary) Limited (South Africa)

The Company is a dealer, market maker and underwriter in equities, fixed income securities and commodities, and provides investment banking and advisory services to a wide range of corporate, institutional and government clients. The Company's trading activities, which are part of Citi's Markets and Securities Services division within the ICG segment, encompass cash, exchange traded and Over The Counter (OTC) derivative markets. The Company's major counterparties are banks, other investment firms, investment managers, insurers and hedge funds. The Company does not originate securitisations or engage in leveraged finance transactions as principal. The Company's business areas are managed globally across a number of Citi's legal entities. Each product area has a dedicated global business head, a number of whom are currently based in London.

As Citi's primary investment firm in EMEA, the Company is the main employer of front office staff in Western Europe. The Company also provides some operational and technology services to other Citi entities, in line with the global technology model used by these businesses. The Company also relies on shared services provided centrally or by local Citi entities.

The Company has in place a dedicated management team and governance structure to establish a cohesive strategy for all relevant businesses and functions. Critical risk and control functions such as finance, risk management, legal and compliance are all managed centrally to ensure compliance with established policies and standards across the Company, irrespective of business location.

\* Further details included in Note 1: Basis of Preparation.

# Citigroup Global Markets Limited (CGML) CbC Report

Country	Figures are in USD Thousands				Figures are AVG Employees	
	Turnover	Profit before Tax	Corporation Tax Paid (on cash basis)	Public Subsidies Received	No. of Employees	
Dubai	5,237	3,943	-	-	-	160
France	79,553	25,037	1,715	-	-	72
Ireland	17,704	15,797	2,140	-	-	1
Israel	25,156	3,233	916	2,102	-	117
Italy	40,262	6,890	-	-	-	42
Spain	29,080	19,647	1,264	-	-	45
Sweden	7,100	4,900	629	-	-	16
Switzerland	10,438	949	305	-	-	14
United Kingdom	3,044,925	292,843	-	2,012	-	3599
<b>TOTAL</b>	<b>3,259,455</b>	<b>373,239</b>	<b>6,969</b>	<b>4,114</b>	<b>4,066</b>	

# Citigroup Global Markets Limited (CGML) Basis of Preparation

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**Note 1:** Citigroup Global Markets Limited (The Company) is headquartered in London and operates globally, generating the majority of its business from the EMEA region, with the remainder coming from business executed with clients in Asia and the Americas.

The Company's financial statements have been prepared in accordance with UK Generally Accepted Accounting Practice and the Companies Act 2006.

The details disclosed in the Country by Country Reporting (CBCR) for the Year ended 31 December 2015 have been prepared on a standalone basis, consistent with the Company's reported accounts. The Company is exempt from preparing consolidated accounts under section 401 of the Companies Act 2006 as it and its subsidiaries are included within the consolidated accounts of its ultimate parent as at the reporting date, Citigroup Inc. Consequently, there are no disclosures for the CGML Subsidiaries in Luxembourg, Monaco and South Africa included in this CBCR document. There are no CBCR disclosures included for the Czech Republic and Slovak Republic branches as there was no financial activity in these branches in 2015.

The basis of specific items of disclosure are as follows:

## Turnover

Turnover is comprised of the following lines of the Profit & Loss Account of the Company's audited Financial Statements:

- Commission income and fees
- Net dealing income
- Interest receivable
- Interest payable

## Profit or (loss) before income tax:

Profit and loss before tax is reported in line with the profit and loss before tax as presented in the 2015 Annual Financial Statements.

# Citigroup Global Markets Limited (CGML) Basis of Preparation (continued)

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## Corporation tax paid / (received) (on cash basis)

Represents the total amount of income tax actually paid during the relevant fiscal year by branches and subsidiaries resident for tax purposes in the relevant tax jurisdiction. This is distinct from taxes due on the profit before income tax for the fiscal year, which will depend on a number of factors including the existence of prior year losses which may be available for offset.

## Public subsidies received

The CBR Regulations do not include a definition of public subsidies received. The Group has determined that this will only include direct support by the Government and that it does not consider central bank interventions, the Help to Buy Mortgage guarantee scheme, or tax incentives such as Research & development (R&D) tax credits as public subsidies.

## Number of employees

Represents the average number of employees on a full-time equivalent (FTE) basis determined by taking an annual average of monthly total FTE, excluding any agency and contracting staff, under employment contracts in each country.

Details on the wider accounting policies used by the Group can be found in the Annual Report of the Group at: <http://www.rns-pdf.londonstockexchange.com/rns/8841R -2015-7-1.pdf>