

Country by Country Reporting YE 2017

Citigroup Global Markets Limited

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

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

Opinion

We have audited the accompanying Country by Country Reporting information ('CBCR Information') as at and for the year ended 31 December 2017, 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 Company as set out in the basis of preparation in note 1.

In our opinion, the CBCR Information as at and for the year ended 31 December 2017 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 in note 1.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)"), including ISA (UK) 800, and the terms of our engagement letter dated 6 June 2017. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to public interest entities. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Emphasis of matter – special purpose basis of preparation

We draw attention to note 1 to the CBCR Information, which describes the basis of preparation. As explained in that note, the CBCR Information has been prepared for the purposes of the Capital Requirements (Country-by-Country Reporting) Regulations 2013. As a result the CBCR Information may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the CBCR Information. We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement, 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, as set out in the special purpose basis of preparation in note 1 to the CBCR Information; determining that the basis of preparation is acceptable in the circumstances; such internal control as they determine is necessary to enable the preparation of CBCR Information that is free from material misstatement, whether due to fraud or error; 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.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the CBCR Information as a whole is free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the CBCR Information.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

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INDEPENDENT AUDITOR'S REPORT TO CITIGROUP GLOBAL MARKETS LIMITED (continued)

The purpose of our audit work and to whom we owe our responsibilities

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.



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

Date: 31 December 2018

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. The South African branch is scheduled for liquidation.

EU Branches

- France
- Ireland
- Italy
- Spain
- Czech Republic (no activity)

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) (scheduled for liquidation)

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 employs a number of specific individuals who hold key roles or have overall responsibility for whole areas of business on UK entities and branches. These individuals fall under the Senior Managers Regime. As of 31 December 2017, Citi had 32 approved Senior Managers of whom 4 were CGML non-executive directors.

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, for which there are various intercompany service agreements.

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.

Country	2017 (\$MM's)				2017
	Turnover	Profit before Tax	Corporation Tax Paid (on cash basis)	Public Subsidies Received	No. of Employees
Dubai	18	5	0	0	176
France	76	7	9	0	74
Ireland	2	(3)	0	0	1
Israel	35	4	1	3	147
Italy	35	5	0	0	43
Spain	86	66	5	0	42
Switzerland	12	3	1	0	14
United Kingdom	2,660	364	90	0	3,022
Total	2,924	451	106	3	3,519

Citigroup Global Markets Limited (CGML) Basis of Preparation

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, including FRS 101 Reduced Disclosure Framework, and the Companies Act 2006.

The details disclosed in the Country by Country Reporting (CBCR) for the Year ended 31 December 2017 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 as there was no financial activity in this branch in 2017.

The basis of specific items of disclosure are as follows:

Turnover

Turnover comprises 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 2017 Annual Financial Statements.

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 CBCR Regulations do not include a definition of public subsidies received. The Company has determined that this will only include direct support by the Government and that it does not consider central bank interventions 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 company can be found in the Annual Report at:

<https://beta.companieshouse.gov.uk/company/01763297/filing-history>