

Country by Country Reporting YE 2015

Citibank International Limited

Citibank International Limited (CIL) Independent Auditor's Report

INDEPENDENT AUDITOR'S REPORT TO CITIBANK INTERNATIONAL LIMITED (The Group)

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 Group, in accordance with the agreed terms of our engagement. Our audit work has been undertaken so that we might state to the Group those matters we have agreed to state to it in this report, and to facilitate the Group's compliance with the requirement for audit of the Group'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

Citibank International Limited (CIL) Nature of activities

Citibank International Limited (The Group) is Citigroup's pan-European bank established to take advantage of the opportunities provided by the European Economic Area (EEA).

The Group is headquartered in London and it currently operates in seventeen countries through a network of European branches and subsidiaries. The Company is authorised by the PRA and regulated by the FCA and PRA. Pursuant to its authorisation by the PRA and FCA, the Company is passported under the 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, Denmark, Finland, France, Greece, Ireland, Italy, Luxembourg, Netherlands, Norway, Portugal, Spain and Sweden.

In addition to the overseas passported branches, the Company has Citigroup Service Centres (CSCs) in Hungary and Poland that provide key operation and technology support services to other Citigroup affiliates. The Group also has two subsidiaries that had historically undertaken lease financing activities but are now dormant.

The Group has two reporting segments, Citicorp and Citi Holdings, consistent with the reporting segments of Citigroup Inc. The Group's strategy has been in line with that of Citigroup, which continues to be to wind down Citi Holdings as soon as practicable in an economically rational manner, while working to generate long-term profitability and growth from Citicorp, which comprises its core franchise. The Group made significant progress in executing its strategy in 2014 via the disposal of its Consumer Banking business in Greece.

Citicorp consists of the Institutional Clients Group (ICG) and the Global Consumer Bank (GCB), whilst Citi Holdings incorporates the Local Consumer Lending (LCL) businesses together with a Special Asset Pool.

Cross-Border Merger of the Group into Citibank Europe plc (CEP)

On 1 January 2016 (the Effective Date), the Group underwent a cross-border merger into CEP, a fellow Citigroup subsidiary headquartered in Dublin, Ireland. The cross-border merger was implemented in accordance with all applicable regulations. The merger was undertaken as part of Citigroup's pursuit of legal entity simplification and efficiency. In compliance with its consultation obligations, the Group informed and, where relevant, engaged with employee representatives or employees (as appropriate) in relation to the merger. Following the merger the Group was dissolved and its activities became branches and subsidiaries of CEP.

Citibank International Limited (CIL) CbC Report

Figures in GBP (£) Thousands						AVG Employees	
Tax Jurisdiction	Turnover from Operations	Profit (Loss) Before Tax	Corporation Tax Paid / (Received) (on cash basis)	Public Subsidiaries Received	Number of Employees		
Austria	659	(1,097)	14	-	8		
Belgium	2,702	(1,564)	-	-	26		
Denmark	2,565	(1,437)	-	-	14		
Finland	2,784	(1,482)	-	-	15		
France	37,097	7,697	2,085	-	95		
Greece	19,320	(16,012)	-	-	128		
Hungary	63,737	9,020	2,448	184	1,259		
Ireland	5,136	(2,139)	30	-	110		
Italy	(34)	(734)	-	-	-		
Luxembourg	25,469	3,087	-	51	166		
The Netherlands	30,967	8,798	(452)	-	53		
Norway	4,142	260	-	-	14		
Poland	109,173	7,569	1,563	-	2,854		
Portugal	9,625	1,925	149	-	31		
Spain	39,213	(38,040)	1,964	-	153		
Sweden	10,369	(3,489)	-	-	46		
United Kingdom	250,694	84,384	-	-	179		
Total CIL	613,618	56,746	7,802	235	5,149		

Citibank International Limited (CIL) Basis of Preparation

Note 1: Citibank International Limited (The Group) is Citigroup's pan-European bank established to take advantage of the opportunities provided by the European Economic Area (EEA).

The Group's financial statements are prepared and approved by the Directors in accordance with International Financial Reporting Standards (IFRS) as endorsed by the EU.

The details disclosed in the Country by Country Reporting (CBCR) for the Year ended 31 December 2015 have been prepared on an intra-group consolidation basis, consistent with the Group's reported consolidated accounts and eliminate all intra-group transactions. The basis of specific items of disclosure are as follows:

Turnover

Turnover comprises the following lines of the Consolidated Income Statement of the Group's audited Financial Statements:

- Interest and similar income
- Net fee and commission income
- Net investment income
- Other operating income

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.

Citibank International Limited (CIL) Basis of Preparation (continued)

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

Represents the total amount of income tax actually paid or (received) 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 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.

The wider accounting policies used by the Group are consistent with those used in the prior year and can be found in the 2014 Annual Report of the Group at: http://www.rns-pdf.londonstockexchange.com/rns/8331L_-2015-4-30.pdf?ga=1.161205117.1707603830.1443528899