
Citibank UK Limited
Country by Country Reporting
December 31 2019

Citibank UK Limited (CUKL) Statement of Directors' Responsibilities

Statement of Directors' responsibilities in relation to the Country by country Reporting ('CBCR Information')

The CBCR Information comprises the information disclosed on pages 5 through 7.

The Directors of Citibank UK Limited ('the Company') are responsible for preparing the CBCR Information for the year ended 31 December 2019 in accordance with the Capital Requirements (Country-by-Country Reporting) Regulations 2013 on the basis of preparation set out to the CBCR Information.

In preparing the CBCR Information, the Directors are responsible for:

- interpreting the requirements of the Capital Requirements (Country-by-Country Reporting) Regulations 2013
- determining the acceptability of the basis of preparation
- making judgements and estimates that are reasonable and prudent
- assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern
- 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
- establishing 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.

The CBCR Information does not constitute the Company's statutory accounts for the financial year ended 31 December 2019. The auditor has reported on those accounts; their reports were (i) unqualified, (ii) did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report, and (iii) did not contain a statement under s498(2) or (3) of the Companies Act 2006.

The CBCR Information was approved by order of the Board of Directors of Citibank UK Limited.



24 November 2020

Citibank UK Limited (CUKL) Independent Auditor's Report

INDEPENDENT AUDITOR'S REPORT TO CITIBANK UK LIMITED ("The Company")

Opinion

We have audited the accompanying Country by Country Reporting information ('CBCR Information') of the Company as at and for the year ended 31 December 2019 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 our opinion, the CBCR Information as at and for the year ended 31 December 2019 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.

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 23 September 2020. 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 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. 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

The directors have prepared the CBCR Information on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the CBCR Information ("the going concern period").

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 a year from the date of approval of the CBCR Information. In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Company will continue in operation.

Citibank UK Limited (CUKL) Independent Auditor's Report

INDEPENDENT AUDITOR'S REPORT TO CITIBANK UK LIMITED (continued)

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 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.

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: 1 December 2020

Citibank UK Limited (CUKL) Nature of activities

Citibank UK Limited (The Company, formerly known as Citi Marble Arch Limited) was incorporated on 29 March 2018. Citi currently operates via two primary business segments, the Institutional Clients Group (“ICG”) and the Global Consumer Bank (“GCB”). The Company’s principal business falls within the GCB segment of Citi’s operations.

Effective the 17 May 2019, the Company was authorised by the Prudential Regulation Authority (“PRA”) and is further regulated by the Financial Conduct Authority (“FCA”). All costs incurred associated with the legal and regulatory establishment of the Company were borne and paid by Citibank National Association, UK branch (“CBNA London”).

Pursuant to above, the existing GCB customers formerly serviced out of Citi affiliates, Citibank Europe Plc UK branch (“CEP UK”) and CBNA London were transferred to the Company, on the 16 September 2019, in line with High Court approvals received on 26 July 2019.

GCB offers consumer banking products and services, principally to high net worth individuals (“HNWI”), both onshore and offshore. Offshore clients are primarily referred through Citi’s global network. The product offering includes multi-currency deposits, investments, foreign exchange solutions and other wealth management services. ICG businesses utilise the excess liquidity generated in the entity to fund high quality loans, bonds and securitised notes taking into account, among other factors, the Liquidity, Risk and Governance framework of the entity.

The Company’s mission, in line with that of Citi, is to serve as a trusted partner to its customers by responsibly providing financial services that enable growth and economic progress. Its core activities are offering of consumer banking products and services. Whilst carrying out these activities, it ensures that actions are always in its clients’ interests, create economic value and are systemically responsible. The excess liquidity generated by the Consumer business is invested in a range of assets including corporate loans, securitised notes and high quality liquid assets.

The Consumer business in the UK is primarily a deposit-taking and wealth management business serving both onshore and offshore affluent and high net worth customers. The onshore UK business focuses on domestic clients while the offshore business is part of Citi’s International Personal Bank (“IPB”) focusing on target market clients from Europe and the Middle East. The business aims to be the wealth manager of choice for these clients through:

Delivering and continually developing a platform of banking and wealth management solutions;
Targeting those clients whose needs are optimally met with CUKL and Citi’s solutions and expertise; and
Serving clients with a multi-channel approach led by a relationship manager model and complimented by strong digital and online capabilities.

2019 was the Company’s first year of operations and the key priority was to transition the existing consumer businesses from CEP UK and CBNA London in to CUKL. This was a significant undertaking that required engagement from teams across Citi as well as with regulators in the UK and the US. The successful transition occurred on the 16th September 2019 with minimal disruption to clients.

Until 24 January 2019, the Company was a wholly owned subsidiary of Citi Overseas Holdings Bahamas Limited (“COHBL”). On 24 January 2019, COHBL transferred its ownership in the Company to Citibank Overseas Investment Corporation (“COIC”), which became its immediate parent company and remains so, as at the date of these financial statements. Citigroup Inc. (“Citi”) is the ultimate parent undertaking.

Citibank UK Limited (CUKL) CbC Report

The Capital Requirements Regulations (Country-by-Country Reporting (“CBCR”)) came into effect on 1 January 2014 and place certain reporting obligations on financial institutions that are within the scope of the EU Capital Requirements Directive IV (“CRD IV”).

The objective of the CBCR requirement is to improve transparency and provide a requirement for institutions in scope to disclose, on a country-by-country basis, information on their activities, turnover, employees, profits, corporate taxes and public subsidies.

The Company is a UK registered entity and is a credit institution for the purposes of CRD IV and is therefore within the scope of CBCR. For the purposes of CBCR, the appropriate disclosures required are summarised below:

| | |
|--|--------|
| Number of employees (average full-time equivalent) | 209 |
| Turnover (£'000) | 23,415 |
| Profit before tax (£'000) | 9,511 |
| Corporation Tax paid (£'000) | NIL |

No public subsidies were received during the year.

Citibank UK Limited (CUKL) Basis of Preparation

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 2019 have been prepared on a standalone basis, consistent with the Company's reported accounts.

The basis of specific items of disclosure are as follows:

Number of employees

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

Turnover

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

- Interest receivable
- Interest payable
- Fees & Commissions receivable
- Fees & Commissions payable
- Dealing profits

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 2019 Annual Financial Statements.

Citibank UK Limited (CUKL) Basis of Preparation (continued)

Corporate Taxes

Represents the disclosure of actual cash paid as Corporation tax during the year 2019.

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.

Details on the wider accounting policies used by the company can be found in the Annual Report at:

<https://beta.companieshouse.gov.uk/company/11283101/filing-history>