

**Citibank Europe plc
&
Citibank Holdings Ireland Ltd**

Pillar 3 Disclosures

30 June 2016



TABLE OF CONTENTS

1. Introduction.....	4
2. Capital Resources and Minimum Capital Requirement	6
3. Leverage.....	10

LIST OF CHARTS & TABLES

FIGURE 1: SUMMARY OF CHIL'S KEY METRICS AS AT 30 JUNE 2016 (€Bn)	5
FIGURE 2: SUMMARY OF CEP'S KEY METRICS AS AT 30 JUNE 2016 (€Bn)	5
TABLE 1: OWN FUNDS DISCLOSURE FOR CEP AND CHIL AT 30 JUNE 2016	7
TABLE 2: MINIMUM PILLAR 1 CAPITAL REQUIREMENTS	8
TABLE 3: CAPITAL SURPLUS OVER MINIMUM CAPITAL REQUIREMENT AND TIER 1 RATIO	9
TABLE 4: SUMMARY RECONCILIATION OF ACCOUNTING ASSETS AND LEVERAGE RATIO EXPOSURES.....	10
TABLE 5: LEVERAGE RATIO COMMON DISCLOSURE.....	10
TABLE 6: SPLIT OF ON BALANCE SHEET EXPOSURES (EXCLUDING DERIVATIVES AND SFTS).....	11

1. Introduction

Background and context

This document contains certain Pillar 3 disclosures for the half year ended 30 June 2016 for Citibank Europe plc (CEP) and Citibank Holdings Ireland Limited (CHIL), (consolidated), collectively “the Companies”.

In accordance with the European Banking Authority (EBA) guidelines on materiality, proprietary and confidentiality and on disclosure frequency relating to Pillar 3 disclosures, the Company has determined that it is appropriate to disclose the information prescribed by these guidelines on a semi-annual basis.

The disclosures in this document have been made in accordance with the Pillar 3 requirements laid out in the EU prudential rules for banks, building societies and investment firms, as set out in Part 8 of the Capital Requirements Regulations No 575/2013 (CRR) – Disclosures by Institutions.

The following disclosures have been made purely for explaining the basis on which the Companies have prepared and disclosed information about capital requirements and the management of certain risks and for no other purpose. They do not constitute any form of financial statement and must not be relied upon in making any investment or judgement on the entity.

Areas Covered

This document contains disclosures which include information on capital adequacy and leverage.

For further information on the Companies’ risk management objectives and policies, liquidity and asset encumbrance, please refer to the

Companies’ Annual Pillar 3 disclosures for the year ended 31 December 2015 on the Investor Relations section of Citi’s website.

Basis of Consolidation & Disclosure

CEP is a licenced credit institution regulated by the Central Bank of Ireland (CBI). CEP is 100% owned by CHIL. CHIL is subject to consolidated supervision by the CBI.

CEP and CHIL produce individual and consolidated regulatory returns for submission to the CBI relating to capital adequacy and balance sheet information.

Both CEP and CHIL Capital Resources have been disclosed for transparency.

CEP prepares standalone financial statements and CHIL prepares consolidated financial statements under International Financial Reporting Standards (IFRS).

The financial information reported in the consolidated financial statements and consolidated regulatory returns are largely similar, other than presentation.

The disclosures in this document are reported at the consolidated level in accordance with the CRD requirements.

This document is subject to the same governance process as the annual Pillar 3 disclosures. It is reviewed and approved by the Pillar 3 Working Group which includes the local CFO and CRO. It receives final approval by the CEP Audit Committee and subsequently by the Board of Directors.

Operation, Structure and Organisation

CEP is a bank chain subsidiary of Citibank N.A, headquartered in Dublin, Ireland, authorised and regulated by the CBI.

On 1 January 2016, CEP acquired Citibank International Limited (CIL) and created an entity with branches in 21 jurisdictions across EMEA. This is in addition to three Citi Service Centres (CSC's) which operate in Ireland, Hungary and Poland that provide support services to the businesses across the branch as well as to other Citi affiliates.

This acquisition was made as part of Citi's continued effort to simplify and rationalise its legal entity structure.

CEP offers a wide range of banking products and services to its Institutional Client Group (ICG) client base, augmented by Global Consumer Bank (GCB) services in the UK Branch.

The principal ICG businesses are Treasury and Trade Services (TTS), Markets and Securities Services and Banking, servicing a wide range of target market clients including Governments, Public Sector clients, Multinational Corporations and their subsidiaries, large Local Corporates, Financial Institutions and Fund Managers.

The principal GCB businesses are UK Consumer Bank and Private Bank which services high net worth clients.

CHIL & CEP's Capital Position at 30 June 2016

Figure 1 and 2 illustrates CHIL and CEP's key capital metrics respectively. Both CHIL and CEP's Capital resources consist predominantly of Tier 1 capital and continue to maintain capital ratios and resources in excess of minimum regulatory requirements.

FIGURE 1: SUMMARY OF CHIL'S KEY METRICS AS AT 30 JUNE 2016 (€Bn)

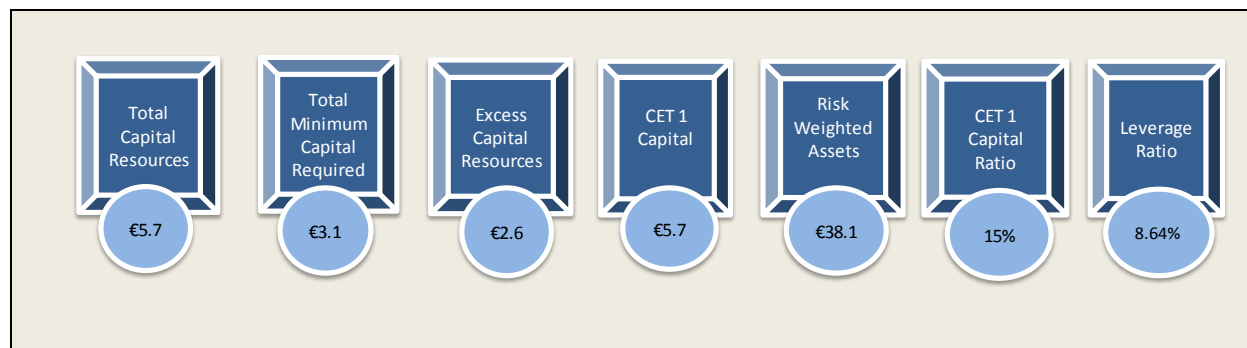
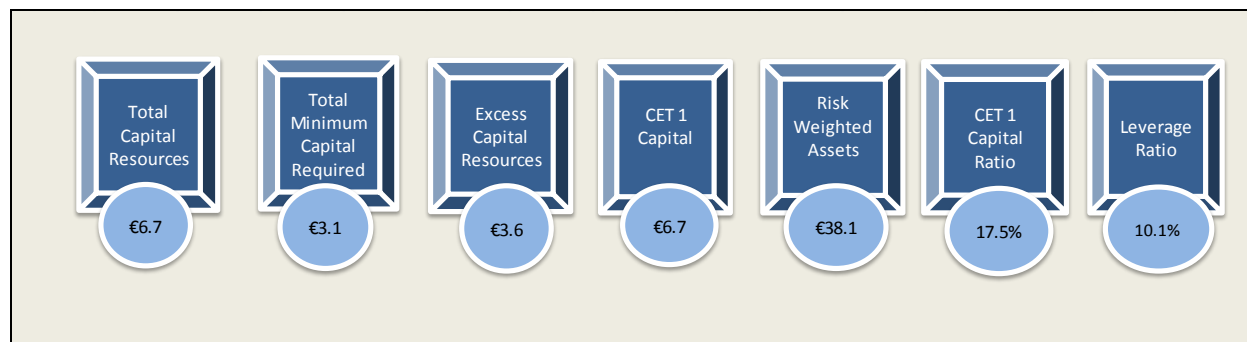


FIGURE 2: SUMMARY OF CEP'S KEY METRICS AS AT 30 JUNE 2016 (€Bn)



2. Capital Resources and Minimum Capital Requirement

Capital Resources

The CRD requires that CHIL and CEP comply with minimum capital standards and maintains a prescribed excess of total capital resources over its Pillar I capital requirement.

Capital resources are measured and reported in accordance with the CRD.

CHIL and CEP's regulatory capital resources comprise of the following distinct elements:

- Common Equity Tier 1 Capital, which includes ordinary share capital, share premium, retained earnings and capital reserves;
- Deductions from capital include:
 - Intangible assets, including goodwill
 - Prudent valuation
 - Deferred tax relying of future profitability

Table 1 shows the regulatory capital resources of CHIL and CEP as at 30 June 2016.

Table 1: Own Funds Disclosure for CEP and CHIL at 30 June 2016

Own funds Disclosure	At 30 June 2016		REGULATION (EU) No 575/2013 ARTICLE REFERENCE
	CHIL	CEP	
1 Capital instruments and the related share premium accounts	1,946,904	2,186,814	26 (1), 27, 28, 29, EBA list 26 (3)
of which: Share Premium	619,133	1,444,495	
of which: Capital Reserves	1,327,772	742,319	EBA list 26 (3)
2 Retained earnings	4,467,281	5,191,183	26 (1) (c)
3 Accumulated other comprehensive income (and any other reserves)	-20,422	-37,307	26 (1)
6 Common Equity Tier 1 (CET1) capital before regulatory adjustments	6,393,763	7,340,690	
Common Equity Tier 1 (CET1) Capital: Regulatory Adjustments			
7 Additional value adjustments (negative amount)	-41,106	-41,106	34, 105
8 Intangible assets (net of related tax liability) (negative amount)	-352,309	-352,309	36 (1) (b), 37, 472 (4)
Deferred tax assets that rely on future profitability excluding those			
10 arising from temporary difference (net of related tax liability where the conditions in Article 38 (3) are met) (negative amount)	-263,610	-263,610	36 (1) (c), 38, 472 (5)
Direct, indirect and synthetic holdings of the CET1 instruments of			
19 financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-13,399	-13,399	36 (1) (i), 43, 45, 47, 48 (1) (b), 49 (1) to (3), 79, 470, 472 (11)
28 Total Regulatory Adjustments to Common Equity Tier 1 (CET1)	-670,424	-670,424	
29 Common Equity Tier 1 (CET1) capital	5,723,339	6,670,266	
Additional Tier 1 (AT1) Capital: Instruments			
45 Tier 1 capital (T1 = CET1 + AT1)	5,723,339	6,670,266	
58 Tier 2 (T2) Capital	-	-	
59 Total Capital (TC = T1 + T2)	5,723,339	6,670,266	
60 Total Risk-Weighted Assets	38,156,000	38,156,000	
Capital Ratios and Buffers			
61 Common Equity Tier 1 (as a percentage of total risk exposure amount)	15.00%	17.48%	92 (2) (a), 465
62 Tier 1 (as a percentage of total risk exposure amount)	15.00%	17.48%	92 (2) (b), 465
63 Total capital (as a percentage of total risk exposure amount)	15.00%	17.48%	92 (2) (c)

** Annual Statements converted at June ME rate

Minimum Capital Requirement

The Minimum Capital Requirement is the amount of Pillar 1 capital that Capital Requirement Regulation (CRR) requires an entity to hold at all times. The total Capital Resources must be greater than its Minimum Capital Requirement, allowing for a capital excess to cover any additional obligations, for example, Pillar 2. CHIL (consolidated) and CEP have the same minimum capital requirement.

The minimum capital requirement for CEP comprises of Market Position Risk (PRR), Counterparty and Credit Risk (CCR) and Operational Risk and Credit Valuation Adjustment (CVA) requirements. Table 2 shows CEP's Pillar 1 Minimum Capital Requirements which as stated above is the same as the Minimum Capital Requirement for CHIL.

Capital Resources vs Minimum Capital Requirement

Table 3 outlines that CHIL and CEP's Total Capital Resources are significantly in excess of its Pillar 1 Total Minimum Capital Requirement. Capital Resources and Minimum Capital Requirement for CHIL and CEP are monitored and analysed on a daily basis. CHIL and CEP continuously maintains a surplus over its Minimum Capital Requirement.

Table 2: Minimum Pillar 1 capital requirements

		30th June 2016	
		Capital Requirement	Risk Weighted Assets
<i>EUR Thousands</i>			
Credit Risk and Counterparty Risk		2,588,075	32,350,941
of which	Central governments or central banks	15,137	189,211
	Regional governments or local authorities	4,159	51,988
	Public sector entities	15,808	197,603
	Multilateral Development Banks	2,580	32,248
	International Organisations	275	3,438
	Institutions	492,095	6,151,186
	Corporates	1,945,735	24,321,690
	Retail	18,238	227,970
	Secured by mortgages on immovable property	17,070	213,371
	Exposures in default	22,892	286,152
	Items associated with particular high risk	-	-
	Covered bonds	-	-
	Claims on institutions and corporates with a short-term credit assessment	39,553	494,413
	Collective investments undertakings (CIU)	155	1,942
	Equity	-	-
	Other items	13,315	166,435
	Securitisation Positions	1,064	13,294
Market Risk		87,470	1,093,374
of which	Interest Rate Risk	51,132	639,149
	FX Risk	36,338	454,225
Operational Risk		315,256	3,940,705
Contributions to the default fund of a CCP		408	5,102
Credit Value Adjustment		61,270	765,878
Total Capital Requirements		3,052,480	38,156,000

Table 3: Capital Surplus over Minimum Capital Requirement and Tier 1 Ratio

	CHIL	CEP
<i>EUR Thousands</i>	30th June 2016	
Total Capital Resources	5,723,339	6,670,266
Total Minimum Capital Requirement	3,052,480	3,052,480
Surplus over Requirement	2,670,859	3,617,786
Tier 1 Capital Resources	5,723,339	6,670,266
Risk Weighted Assets	38,156,000	38,156,000
Tier 1 Capital Ratio	15.00%	17.48%

3. Leverage

The leverage ratio is a measure of Tier 1 capital as a percentage of exposure as defined under the CRR rules.

The requirement for the calculation and reporting of leverage ratios was introduced as part of CRD IV in 2014 as an additional capital requirement. The purpose of monitoring and managing this metric is to enable Regulators to constrain the build-up of excessive leverage. Implementation of the leverage ratio becomes effective from 2018, with the preceding years used to refine the requirement.

The leverage ratio minimum requirement at this time is 3%. CEP and CHIL's ratio is in excess of this at 10.08% and 8.64% respectively at 30 June 2016. The following disclosure templates provide additional detail on the Leverage Ratio.

Table 4: Summary Recon of Accounting Assets and Leverage Ratio Exposures for CHIL & CEP

Eur Thousands	30-Jun-16
	Applicable Amounts
Total assets as per published financial statements	47,713,862
Adjustments for derivative financial instruments	(497,253)
Adjustments for securities financing transactions "SFTs"	349,606
Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	23,649,067
Other adjustments	(5,010,542)
Leverage Ratio Exposure	66,204,741

Table 5: Leverage Ratio Common Disclosure for CHIL & CEP

Eur Thousands	30-Jun-16	
	CHIL	CEP
	CRR Leverage Ratio Exposures	
On-Balance Sheet Exposures (excluding derivatives and SFTs)		
On-balance sheet items (excluding derivatives, SFTs and fiduciary assets, but including collateral)	35,952,767	35,952,767
Asset amounts deducted in determining Tier 1 capital	(670,424)	(670,424)
Total On-Balance Sheet Exposures (excluding derivatives, SFTs and fiduciary assets)	35,282,343	35,282,343
Derivative Exposures		
Replacement cost associated with derivatives transactions	690,293	690,293
Add-on amounts for PFE associated with derivatives transactions	747,507	747,507
Total Derivative Exposures	1,437,800	1,437,800
Securities financing transaction exposures		
SFT Exposure	5,835,531	5,835,531
Total Securities Financing Transaction Exposures	5,835,531	5,835,531
Off-Balance Sheet Exposures		
Off-balance sheet exposures at gross notional amount	34,068,880	34,068,880
Adjustments for conversion to credit equivalent amounts	(10,419,813)	(10,419,813)
Total Off-Balance Sheet Exposures	23,649,067	23,649,067
Capital and Total Exposures		
Tier 1 capital	5,723,339	6,670,266
Total Leverage Ratio Exposures	66,204,741	66,204,741
Leverage ratio	8.64%	10.08%
Choice on transitional arrangements and amount of derecognised fiduciary items		
Choice on transitional arrangements for the definition of the capital measure	Fully Phased In	Fully Phased In

Table 6: Split of On Balance Sheet Exposures (excluding derivatives and SFTs) for CHIL & CEP

Eur Thousands	30-Jun-16 CRR Leverage Ratio Exposures
Total On-Balance Sheet Exposures (excluding derivatives and SFTs), of which:	35,952,767
Trading Book Exposures	1,526,349
Banking Book Exposures, of which:	34,426,418
Exposures treated as sovereigns	10,347,178
Exposures to regional governments, MDB, international organisations and PSE NOT Institutions	375,368
Secured by mortgages of immovable properties	9,167,589
Retail exposures	213,111
Corporate	230,485
Exposures in default	12,480,821
Other exposures (eg equity, securitisations, and other non-credit obligation assets)	168,277
	1,443,589