

CITIBANK EUROPE PLC
(Registered Number: 132781)

COUNTRY BY COUNTRY REPORTING
for the year ended 31 December 2023

**KPMG**

Audit
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Ireland

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF CITIBANK EUROPE PLC***Opinion***

We have audited the accompanying Country-by-Country ("CBC") financial information of Citibank Europe Plc ("the Group") for the year ended 31 December 2023 pursuant to European Union (Capital Requirements) Regulations, 2014 ("the Regulations") which is required to be audited by Regulation 77 of those Regulations. The CBC financial information set out on pages 217 to 219 in the Citibank Europe plc Country-by-Country Reporting (collectively "the CBC financial information"), has been prepared on a consolidated prudential basis more fully explained within the Basis of Preparation on page 217.

In our opinion, the CBC financial information as at 31 December 2023:

- is properly prepared, in all material respects, in accordance with the special purpose basis of preparation set out on page 217 to the CBC financial information; and
- discloses the items of CBC financial information required to be published by Regulation 77 of the European Union (Capital Requirements) Regulations, 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) ("ISAs (Ireland)"), including ISA (Ireland) 800 and ISA (Ireland) 805, and the terms of our engagement letter dated 11 October 2023. Our responsibilities are described within the Auditor's responsibilities for the audit of the CBC financial information section of our report. We are independent of the Group in accordance with ethical requirements that are relevant to our audit of the CBC financial information in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA) as applicable to public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

In forming our opinion on the CBC financial information, which is unmodified, we draw your attention to the disclosure made on page 217 concerning the basis of preparation. The CBC financial information is prepared by the Group for the purpose of meeting the requirements of Regulation 77 of the European Union (Capital Requirements) Regulations, 2014. The CBC financial information has therefore been prepared in accordance with a special purpose framework and, as a result, the CBC information may not be suitable for another purpose.

Conclusions relating to going concern

In auditing the CBC financial information, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the CBC financial information is appropriate. Our evaluation of the Directors' assessment of the Group's ability to continue to adopt the going concern basis of accounting included:

- We used our knowledge of the Group, the financial services industry, and the general economic environment to identify the inherent risks to the business model and analysed how those risks might affect the Group's financial resources or ability to continue operations over the going concern period. The risks that we considered most likely to adversely affect the Group's available financial resources over this period were:



INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF CITIBANK EUROPE PLC (continued)

- the availability of funding and liquidity in the event of a market wide stress scenario; and
 - the impact on regulatory capital requirements in the event of an economic slowdown or recession.
- We also considered whether these risks could plausibly affect the availability of financial resources in the going concern period by comparing severe, but plausible, downside scenarios that could arise from these risks individually and collectively against the level of available financial resources indicated by the Group's financial forecasts.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's ability to continue as a going concern for a period of at least twelve months from the date when the CBC financial information is authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Detecting irregularities including fraud

We identified the areas of laws and regulations that could reasonably be expected to have a material effect on the CBC financial information and risks of material misstatement due to fraud, using our understanding of the entity's industry, regulatory environment and other external factors and inquiry with the Directors. In addition, our risk assessment procedures included:

- Inquiring with the Directors and other management as to the Group's policies and procedures regarding compliance with laws and regulations, identifying, evaluating and accounting for litigation and claims, as well as whether they have knowledge of non-compliance or instances of litigation or claims.
- Inquiring of Directors, the Audit Committee and internal audit and inspection of policy documentation as to the Group's high-level policies and procedures to prevent and detect fraud, including the internal audit function, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Inquiring of Directors, the Audit Committee and internal audit regarding their assessment of the risk that the CBC financial information may be materially misstated due to irregularities, including fraud.
- Inspecting the Group's regulatory and legal correspondence.
- Reading minutes of meetings of the Board of Directors and the Audit Committee.
- Considering remuneration incentive schemes and performance targets for management and Directors.
- Performing planning analytical procedures to identify any unusual or unexpected relationships.

We discussed identified laws and regulations, fraud risk factors and the need to remain alert among the audit team. This included communication from the Group to full scope component audit teams of relevant laws and regulations and any fraud risks identified at the Group level and request to full scope component audit teams to report to the Group audit team any instances of fraud that could give rise to a material misstatement at Group.

Firstly, the Group is subject to laws and regulations that directly affect the CBC financial information including the European Union (Capital Requirements) Regulations, 2014, companies and financial reporting legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related CBC financial information items, including assessing the CBC financial information disclosures and agreeing them to supporting documentation when necessary.



INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF CITIBANK EUROPE PLC (continued)

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the CBC financial information, for instance through the imposition of fines or litigation or the loss of the Group's licence to operate. We identified the following areas as those most likely to have such an effect: regulatory capital and liquidity and certain aspects of company legislation recognising the financial and regulated nature of the Group's activities and its legal form.

Auditing standards limit the required audit procedures to identify non-compliance with these non-direct laws and regulations to inquiry of the Directors and other management and inspection of regulatory and legal correspondence, if any. These limited procedures did not identify actual or suspected non-compliance.

We assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. As required by auditing standards, we performed procedures to address the risk of management override of controls. On this audit we do not believe there is a fraud risk related to revenue recognition.

In response to the fraud risks, we also performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation; and
- Assessing the disclosures in the CBC financial information.

As the Group is regulated, our assessment of risks involved obtaining an understanding of the legal and regulatory framework that the Group operates and gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the CBC financial information, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the CBC financial information, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remains a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Respective responsibilities and restrictions on use

Responsibilities of Directors for the CBC financial information

The Directors are responsible for: the preparation of the CBC financial information in accordance with the requirements of the European Union (Capital Requirements) Regulations, 2014 relevant to preparing such CBC financial information; such internal control as they determine is necessary to enable the preparation of the CBC financial information that is free from material misstatement, whether due to fraud or error; assessing the Group'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 Group or to cease operations, or have no realistic alternative but to do so.



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(continued)**

Auditor's responsibilities for the audit of the CBC financial information

Our objectives are to obtain reasonable assurance about whether the CBC financial information as a whole are 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 (Ireland) 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 CBC financial information.

A fuller description of our responsibilities is provided on IAASA's website at <https://iaasa.ie/publications/description-of-the-auditors-responsibilities-for-the-audit-of-the-financial-statements/>.

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

Our report is made solely to the Group's Directors, as a body, in accordance with our engagement letter to provide a report pursuant to Regulation 77 of the European Union (Capital Requirements) Regulation, 2014. Our audit work has been undertaken so that we might state to the Group's Directors those matters we are required to state to them in an auditor's report on CBC financial information and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Group and the Group's Directors as a body, for our audit work, for this report, or for the opinions we have formed.

28 March 2024

James Black
for and on behalf of
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Chartered Accountants, Statutory Audit Firm
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COUNTRY BY COUNTRY REPORTING

Country by Country Reporting

The Country by Country is a reporting requirement per the European Commission as detailed under Article 89 of the CRD IV directive 2013/36/EU.

The Commissions aims through this report to allow stakeholders to gain a better understanding of the structures of financial groups, their activities and geographical presence and to understand the payment of taxes vis a vie the location of where actual business activity takes place.

The requirement lays out that all “Banks” and “Investment Firms” have to report annually, for each country in which they have an establishment, data on:

- Name(s), activities, geographical location
- Turnover
- Staff Numbers
- Profit and loss before Tax
- Tax on profit or Loss
- Public Subsidies received

Once approved by the Board the report will be duly saved to the Citigroup Inc website under Investor Relations.

Article 89 of the CRD requires credit institutions to disclose certain information on a branch by branch basis.

Basis of Preparation:

The Table below presents the Group’s turnover, average number of employees, profit or loss before tax, tax on profit and public subsidies received based on the geographic locations in which the Group operates. The Group prepares statutory financial statements under International Financial Reporting Standards as adopted by the European Union (EU). The CBC disclosures are prepared under International Financial Reporting Standards as adopted by the EU and as regards the scope of consolidation on a prudential basis as required by the EU Capital Requirements Regulations. There is no difference between the Group’s statutory financial statements and its prudential basis of consolidation.

Overview of the table:

The Table below presents the Group’s turnover, number of employees, profit and loss before tax, tax on profit or loss and public subsidies received. Set out below are the definitions which have been applied in preparing the information within the Table below.

Turnover:

Turnover represents total operating income, which comprises net interest income, net fee and commission income, net trading income, dividend income and other operating income.

Employees:

This represents the average number of Full Time Equivalents being full and part time employees but excluding any agency and contracting staff.

Profit and Loss before Tax:

Profit and loss before tax is reported in a manner consistent with that included in these Annual Financial Statements.

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COUNTRY BY COUNTRY REPORTING

Country by Country Reporting (continued)

Tax on profit:

Tax on profit or loss represents the tax expense recognised within the income statement and does not reflect the actual amount of corporation tax paid. Included within the tax on profit or loss is both current tax and deferred tax.

Public Subsidies Received:

Subsidies received is considered a direct transfer of funds, such as a grant from a state body.

Nature of activities:

Citibank Europe Plc. (CEP) is a licenced credit institution authorised by the Central Bank of Ireland (CBI) and is headquartered in Ireland. Pursuant to its authorisation by the CBI, CEP has passported under the European Union's (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, Bulgaria, Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Italy, Luxembourg, Netherlands, Norway, Portugal, Romania, Slovakia, Spain, Sweden and the United Kingdom. In addition to the overseas passported branches, CEP has two branches in Poland and Hungary which provide key operation and technology support services to other Citigroup affiliates.

The Company's subsidiaries are located in Poland and the United Kingdom

A Country by Country Reporting (CBCR) obligation was introduced through Article 89 of the EUR Directive 2013/36/EU, otherwise known as the Capital Requirements Directive IV (CRD IV). CEP is required on a consolidated basis to report the following information for each period of account.

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Country by Country Reporting (continued)

Consolidated	Turnover	Turnover	Number of Employees	Number of Employees	Profit or (Loss) before tax	Profit or (Loss) before tax	Tax (charge)/ release on profit or loss	Tax (charge)/ release on profit or loss	Public subsidies received	Public subsidies received
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	\$m	\$m			\$m	\$m	\$m	\$m	\$m	\$m
Austria	6	2	9	8	2	1	—	—	—	—
Belgium	9	2	15	13	1	1	—	—	—	—
Bulgaria	43	23	51	49	39	15	(4)	(2)	—	—
Czech Republic	201	142	266	247	125	88	(30)	(19)	—	—
Germany	114	58	143	125	49	22	(14)	(8)	—	—
Denmark	3	5	17	14	(5)	(1)	1	—	—	—
Spain	60	39	175	168	28	11	(4)	(4)	—	—
Finland	6	4	18	16	1	—	—	—	—	—
France	135	95	187	155	15	23	(3)	(6)	—	—
United Kingdom	123	182	103	90	72	55	4	(19)	—	—
Greece	46	24	105	102	10	(1)	(2)	(1)	—	—
Hungary	359	242	2,973	2,752	124	50	(46)	(8)	—	—
Ireland	1,990	1,604	2,693	2,394	1,209	739	(196)	(118)	—	—
Italy	29	(2)	62	50	(2)	10	(4)	(5)	—	—
Luxembourg	222	87	251	234	109	65	(22)	(16)	0.099	0.041
Netherlands	117	21	104	90	77	53	(19)	(13)	—	—
Norway	18	6	16	15	9	8	(2)	(2)	—	—
Poland	633	294	9,309	5,801	111	26	(28)	(5)	—	—
Portugal	6	1	16	18	—	1	—	(1)	—	—
Romania	158	113	181	176	150	93	(23)	(15)	—	—
Sweden	38	40	98	85	(8)	4	—	—	—	—
Slovakia	31	21	41	42	25	11	(6)	(2)	—	—
Total	4,347	3,003	16,833	12,644	2,141	1,274	(398)	(244)	0.099	0.041